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This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Yat Sing Holdings Limited.

**SMART PARADISE
INTERNATIONAL LIMITED**

(Incorporated in the British Virgin Islands with limited liability)

YAT SING HOLDINGS LIMITED

日成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3708)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF CONTROLLING INTEREST IN
YAT SING HOLDINGS LIMITED BY**

SMART PARADISE INTERNATIONAL LIMITED

(2) UNCONDITIONAL MANDATORY CASH OFFER BY

 KINGSTON SECURITIES

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)

(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

AND

(4) RESUMPTION OF TRADING

**Joint Financial Advisers to
Smart Paradise International Limited**

 KINGSTON CORPORATE FINANCE

** Shinco Capital
昇 豪 資 本**

Shinco Capital Limited

**Financial Adviser to
Yat Sing Holdings Limited**

 KGI CHINA
DEVELOPMENT
FINANCIAL

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor, that on 26 October 2016 (after trading hours of the Stock Exchange), the Offeror and the Vendor, being the then controlling Shareholder prior to the Share Transfer Completion, entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, representing approximately 53.5% of the total issued share capital of the Company as at the date of this joint announcement, at a cash consideration of HK\$337,293,300 (equivalent to approximately HK\$0.563 per Sale Share).

The Share Transfer Completion took place on 27 October 2016.

UNCONDITIONAL MANDATORY CASH OFFER

Upon the Share Transfer Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it beneficially own 599,100,000 Shares, representing approximately 53.5% of the total number of issued Shares.

In accordance with Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for the Offer Shares, being all the Shares in issue, other than those already owned by the Offeror or parties acting in concert with it.

As at the date of this joint announcement, the Company has 1,118,800,000 Shares in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Kingston Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares.

The Offer Price will be HK\$0.563 per Offer Share which is the same as the price paid by the Offeror (rounded up to the nearest cent) for each Sale Share pursuant to the Sale and Purchase Agreement. The principal terms of the Offer are set out under the section headed “Unconditional Mandatory Cash Offer” in this joint announcement.

The Offer will be unconditional in all respects and will be for all existing issued Shares but excluding the Sale Shares and any other Shares already owned by the Offeror and persons acting in concert with it.

The Offeror would finance the consideration payable under the Offer by the Offer Facility granted by Kingston Securities.

Kingston Corporate Finance and Shinco Capital, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rule 2.1 of the Takeovers Code, the Company has established the Independent Board Committee comprising Ms. Tong Sze Wan, Mr. Guo Biao and Ms. Song Dan, being all the independent non-executive Directors, to make recommendation to the Independent Shareholders in respect of the Offer. The non-executive Director, namely Mr. Kan Yiu Kwok, is not included in the Independent Board Committee as he owns approximately 11.16% of the shareholding interest in Vendor and he is also the son of Mr. Kan Man Hoo and the brother of Mr. Kan Yiu Keung (an executive Director and chief executive officer of the Company), who respectively owns approximately 6.42% and 11.16% of the shareholding interest in Vendor.

Messis Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the respective boards of director of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is expected to be despatched within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and approved by the Executive and in compliance with the requirements of the Takeovers Code and other applicable regulations.

The Composite Document will contain, among other things, details of the Offer (accompanying therewith the acceptance and transfer form and the expected timetable of the Offer) and incorporate the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser and other relevant information on the Offeror and the Group as required under the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 27 October 2016 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 28 October 2016.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee in respect of the Offer and the letter of advice from the Independent Financial Adviser.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the relevant securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers as and when appropriate.

Reference is made to the announcement of the Company dated 29 September 2016 issued pursuant to Rule 3.7 of the Takeovers Code in relation to the preliminary proposal made by the Offeror to the Vendor of the possible acquisition of an aggregate of 599,100,000 Shares held by the Vendor, which represent approximately 53.5% of the entire issued share capital of the Company.

1. THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor (a controlling Shareholder immediately prior to the Share Transfer Completion), that on 26 October 2016 (after trading hours of the Stock Exchange), the Offeror and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, representing approximately 53.5% of the total issued share capital of the Company as at the date of this joint announcement, at a cash consideration of HK\$337,293,300 (equivalent to approximately HK\$0.563 per Sale Share), free from all encumbrances and together with all rights now or hereafter attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date of Share Transfer Completion. The Share Transfer Completion took place on 27 October 2016.

The Vendor is legally owned as to approximately 40.31% by Mr. Liu Su Ke, approximately 14.52% by Mr. Lai Kwan Hin, approximately 11.16% by Mr. Kan Yiu Keung (an executive Director and the chief executive officer of the Company), approximately 11.16% by Mr. Kan Yiu Kwok (a non-executive Director), approximately 6.42% by Mr. Kan Man Hoo, approximately 5.80% by Mr. Yau Shik Fan, Eddy, approximately 5.58% by Mr. Liu Winson Wing Sun (an executive Director) and approximately 5.04% by Mr. Chan Lo Kin (an executive Director).

As at the date of this joint announcement, the Offeror and its sole ultimate beneficial owner are third parties independent of, and not connected with, either the Company or any of its connected persons, and not a party acting in concert with any of them, save that the Offeror has become a controlling Shareholder upon the Share Transfer Completion.

2. UNCONDITIONAL MANDATORY CASH OFFER

Offer for the Offer Shares

Immediately prior to the entering into of the Sale and Purchase Agreement, the Offeror and parties acting in concert with it were not interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon the Share Transfer Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it beneficially own 599,100,000 Shares, representing approximately 53.5% of the total issued share capital of the Company.

In accordance with Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for the Offer Shares, being all the Shares in issue, other than those already owned by the Offeror or parties acting in concert with it.

As at the date of this joint announcement, the Company has 1,118,800,000 Shares in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Kingston Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire the Offer Shares on the following basis:

For each Offer Share..... HK\$0.563 in cash

The Offer Price is the same as the price paid by the Offeror (rounded up to the nearest cent) for each Sale Share pursuant to the Sale and Purchase Agreement.

The Offer will be extended to all Shareholders in accordance with Rule 26.1 of the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them on or after the date on which the Offer is made, being the date of despatch of the Composite Document, or subsequently becoming attached to them.

The Offer will be unconditional in all respects and will be for all existing issued Shares but excluding the Sale Shares and any other Shares already owned by the Offeror and persons acting in concert with it.

Comparisons of Value

The Offer Price of HK\$0.563 per Offer Share, which is the same as the price per Sale Share paid by the Offeror pursuant to the Sale and Purchase Agreement represents:

- (1) a discount of approximately 59.50% to the closing price of HK\$1.39 per Share as quoted on the Stock Exchange on the 29 September 2016, being the commencement date of the Offer;
- (2) a discount of approximately 86.33% to the closing price of HK\$4.12 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (3) a discount of approximately 84.92% to the average closing price of HK\$3.734 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Date;
- (4) a discount of approximately 83.16% to the average closing price of approximately HK\$3.343 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Date;
- (5) a discount of approximately 70.90% to the average closing price of approximately HK\$1.935 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Date; and
- (6) a premium of approximately 269.91% over the audited consolidated net assets value attributable to the Shareholders per Share of approximately HK\$0.1522 as at 30 June 2016, the date on which the latest audited financial results of the Group were made up (based on the Company's audited consolidated net asset value attributable to the Shareholders of approximately HK\$170,229,000 as at 30 June 2016 and 1,118,800,000 Shares in issue as at the date of this joint announcement).

Highest and Lowest Share Prices

During the six-month period preceding the Company's announcement dated 29 September 2016 and the period up to and including the Last Trading Date, the highest closing price of the Shares was HK\$4.12 per Share as quoted on the Stock Exchange on the Last Trading Date and the lowest closing price of the Shares was HK\$0.62 per Share as quoted on the Stock Exchange on 12 September 2016.

Total value of the Offer

On the basis of 1,118,800,000 Shares in issue as at the date of this joint announcement and the Offer Price of HK\$0.563 per Offer Share, the entire issued share capital of the Company is valued at HK\$629,884,400. Excluding the 599,100,000 Sale Shares acquired by the Offeror under the Sale and Purchase Agreement, 519,700,000 Shares will be subject to the Offer and the Offer is valued at HK\$292,591,100 based on the Offer Price.

Financial Resources

The Offeror would finance the consideration payable under the Offer by the Offer Facility granted by Kingston Securities. Pursuant to the terms and conditions of the Offer Facility, the 599,100,000 Sale Shares owned by the Offeror and the Offer Shares to be acquired by the Offeror under the Offer shall be deposited with Kingston Securities as collaterals for the Offer Facility. The payment of interest on, repayment of, or security for any liability (contingent or otherwise) for, the Offer Facility will not depend on any significant extent on the business of the Group. Save for the aforementioned Shares owned by the Offeror as at the date of this joint announcement being charged to Kingston Securities, Kingston Securities and its associates did not have any interest in any Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Kingston Corporate Finance and Shinco Capital, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the full acceptance of the Offer as described above.

Effect of Accepting the Offer

By accepting the Offer, Shareholders (being the Shareholders other than the Offeror and the parties in concert with it) will sell to the Offeror the Offer Shares free from all liens, charges, options, claims, equity, rights of pre-emption and any other third party rights or encumbrances of any nature whatsoever and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made (i.e. being the date of despatch of the Composite Document). Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

The Offer will be made in compliance with the Takeovers Code which is administered by the Executive.

Independent Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which will be included in the Composite Document.

Overseas Shareholders

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Shareholder in respect of such jurisdictions as a result of the acceptance of the Offer). Acceptance of the relevant Offer by such Shareholders will constitute a representation and warranty to the Offeror that legal and regulatory requirements of all relevant territories in connection with the acceptance of the Offer have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Stamp Duty

Seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each accepting Shareholder at the rate of 0.1% of the consideration payable by the Offeror to such accepting Shareholder or if higher, the market value of the Shares, and will be deducted from the cash amount payable to such accepting Shareholder. The Offeror will pay the buyer's ad valorem stamp duty and will account to the Stamp Office of Hong Kong for the stamp duty payable on the sale and purchase of the relevant Offer Shares pursuant to acceptances of the Offer and the transfer of the Offer Shares in accordance with Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Payment

Payment (after deducting the accepting Shareholders' share of stamp duty) in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the receipt of duly completed acceptances. Relevant documents of title must be received by the Registrar to render each acceptance of the Offer complete and valid.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Kingston Corporate Finance, Shinco Capital, Kingston Securities, KGI Capital Asia and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Dealing and interest in the Company's securities

Save for the acquisition of the Sale Shares by the Offeror pursuant to the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owner, nor parties acting in concert with it have dealt in any Shares, convertible securities, warrants, options or derivatives of the Company during the six-month period preceding the Company's announcement dated 29 September 2016 and the period up to and including the date of this joint announcement.

Other Arrangements

The Offeror confirms that as at the date of this joint announcement, save as disclosed in this joint announcement:

- (a) none of the Offeror or parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (b) the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept the Offer;
- (c) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or parties acting in concert with it;
- (d) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer;
- (e) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (f) the Offeror and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INFORMATION ON THE GROUP

The Company is an investment holding company and was incorporated in the Cayman Islands with limited liability on 17 September 2014 and its Shares have been listed on the Main Board since 14 January 2015 under the stock code 3708.

The Group is principally engaged in the provision of building maintenance services and renovation services in Hong Kong.

The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 30 June 2016 as extracted from the Company's annual report 2016:

	Year ended 30 June	
	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	503,195	488,065
Gross profit	52,405	44,947
Profit before tax	16,487	17,146
Profit for the year	10,962	11,655
	As at 30 June	
	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Consolidated net asset value attributable to owners of the Company	158,648	170,229

Shareholding structure of the Company

As at the date of this joint announcement, there are a total of 1,118,800,000 Shares in issue. Saved as disclosed above, the Company has no other outstanding warranties, options, derivatives or securities convertible into Shares. The table below sets out the shareholding structure of the Company prior to and immediately after the Share Transfer Completion but before the Offer:

Shareholder	Prior to the Share Transfer Completion		Immediately after the Share Transfer Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>% of issued share capital</i>	<i>Number of Shares</i>	<i>% of issued share capital</i>
Offeror and parties acting in concert with it	–	–	599,100,000	53.5
The Vendor (<i>Note</i>)	599,100,000	53.5	–	–
Other Shareholders	519,700,000	46.5	519,700,000	46.5
Total	1,118,800,000	100.0	1,118,800,000	100.0

Note:

The Vendor is legally owned as to approximately 40.31% by Mr. Liu Su Ke, approximately 14.52% by Mr. Lai Kwan Hin, approximately 11.16% by Mr. Kan Yiu Keung (an executive Director and the chief executive officer of the Company), approximately 11.16% by Mr. Kan Yiu Kwok (a non-executive Director), approximately 6.42% by Mr. Kan Man Hoo, approximately 5.80% by Mr. Yau Shik Fan, Eddy, approximately 5.58% by Mr. Liu Winson Wing Sun (an executive Director) and approximately 5.04% by Mr. Chan Lo Kin (an executive Director).

INFORMATION OF THE OFFEROR

The Offeror, Smart Paradise International Limited, is a company incorporated in the British Virgin Islands, with limited liability. The Offeror is an investment holding company and has not conducted any business since its incorporation. The entire issued share capital of the Offeror is wholly and beneficially owned by Mr. Dai, who is also the sole director of the Offeror.

Mr. Dai Jian (戴劍), aged 30, holds a bachelor's degree in Finance from The Great Wall University Beijing. He is an executive director and general manager of 河口县锦鑫矿业有限公司 (transliterated as Hekou Jinxin Mining Limited Company*) since September 2016. He is serving 江陰市友佳珠光雲母有限公司 (transliterated as Jiangyin Youjia Pearlescent Mica Co. Ltd.*) as deputy manager of department of research and development since December 2013. 江陰市友佳珠光雲母有限公司 (transliterated as Jiangyin Youjia Pearlescent Mica Co. Ltd.*) is established in the PRC in 2003 and is a subsidiary of China Crystal New Material Holdings Co., Ltd. (中國晶體新材料控股有限公司), which is a company incorporated in the Cayman Islands with limited liability in February 2012 and has been listed in the trading board of stock exchange in South Korea since 28 January 2016 (KOSDAQ stock code: 900250).

Mr. Dai is also a deputy general manager of Jiangsu Province Special Synthetic Mica Engineering and Technology Research Center (江蘇省特種合成雲母工程技術研究中心) since January 2015, a center established by 江陰市友佳珠光雲母有限公司 (transliterated as Jiangyin Youjia Pearlescent Mica Co. Ltd.*) which is a provincial engineering and technology research center in Jiangsu Province. Mr. Dai has taken part in various research and development projects, including producing electronic mica via artificial synthesis (人工电子合成云母), automated production system of artificial crystal synthetic mica, etc.

THE OFFEROR'S INTENTIONS IN RELATION TO THE GROUP

Regarding the business assets and employees of the Group

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror 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 acquisitions, 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. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

Regarding the Board composition

As at the date of this joint announcement, the Board is made up of eight Directors, comprising four executive Directors, being Mr. Lai Aizhong, Mr. Liu Winson Wing Sun, Mr. Kan Yiu Keung and Mr. Chan Lo Kin, one non-executive Director, being Mr. Kan Yiu Kwok and three independent non-executive Directors, being Ms. Tong Sze Wan, Mr. Guo Biao and Ms. Song Dan.

The Offeror at present intends to nominate Mr. Dai as the executive Director. The Offeror is in the course of identifying additional candidates for the Board subject to compliance with the Takeovers Code and the Listing Rules. The appointment of Director(s) nominated by the Offeror will not take effect earlier than the date of posting of the Composite Document in compliance with Rule 26.4 of the Takeovers Code.

Further announcement will be published by the Company in respect of the changes to the Board pursuant to the Takeovers Code and the Listing Rules as and when appropriate.

The detailed information of Mr. Dai is stated under section headed "Information of the Offeror" herein.

MAINTAINING THE LISTING STATUS OF THE COMPANY

It is the intention of the Offeror to maintain the listing of the Company on the Main Board following the close of the Offer.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

In this connection, it should be noted that following the close of the Offer, there may be insufficient public float of the Shares and therefore, trading in the Shares may be suspended until sufficient public float exists in the Shares.

The sole director of the Offeror and the new Directors to be nominated by the Offeror and appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares.

DEALINGS DISCLOSURE

Under Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code, including but not limited to persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) of the Company and of the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rule 2.1 of the Takeovers Code, the Company has established the Independent Board Committee comprising Ms. Tong Sze Wan, Mr. Guo Biao and Ms. Song Dan, being all the independent non-executive Directors, to advise the Independent Shareholders in respect of the Offer. The non-executive Director, namely Mr. Kan Yiu Kwok, is not included in the Independent Board Committee as he owns approximately 11.16% of the shareholding interest in Vendor and he is also the son of Mr. Kan Man Hoo and the brother of Mr. Kan Yiu Kwok, who respectively owns approximately 6.42% and 11.16% of the shareholding interest in Vendor.

Messis Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the respective boards of director of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is expected to be despatched within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and approved by the Executive and in compliance with the requirements of the Takeovers Code and other applicable regulations.

The Composite Document will contain, among other things, details of the Offer (accompanying therewith the acceptance and transfer form and the expected timetable of the Offer) and incorporate the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser and other relevant information on the Offeror and the Group as required under the Takeovers Code.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee in respect of the Offer and the letter of advice from the independent financial adviser.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the relevant securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 27 October 2016 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 28 October 2016.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“Company”	Yat Sing Holdings Limited (日成控股有限公司), a limited liability company incorporated in the Cayman Islands, whose Shares are listed on the Main Board

“Composite Document”	the composite offer and response document in connection with the Offer to be despatched to the Shareholders
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“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 Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Ms. Tong Sze Wan, Mr. Guo Biao and Ms. Song Dan, which has been established in accordance with the Takeovers Code to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, a licensed corporation under the SFO, licensed to conduct Type I (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and appointed as the independent financial adviser with the approval by the Independent Board Committee and to make recommendation to the Independent Shareholders in relation to the Offer
“Independent Shareholders”	Shareholders other than the Offeror and the acting in concert with it
“KGI Capital Asia”	KGI Capital Asia Limited, a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and acting as the financial adviser to the Company

“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation under the SFO, licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, and one of the joint financial advisers to the Offeror
“Kingston Securities”	Kingston Securities Limited, a licensed corporation under the SFC, licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO, which shall make the Offer on behalf of the Offeror
“Last Trading Date”	26 October 2016, being the last trading day immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Mr. Dai”	Mr. Dai Jian (戴劍), the sole beneficial owner and director of the Offeror
“Offer”	the unconditional mandatory cash offer to be made by Kingston Securities for and on behalf of the Offeror to acquire all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code
“Offer Facility”	the standby facility granted by Kingston Securities to the Offeror to finance the consideration payable under the Offer
“Offer Price”	the price of HK\$0.563 per Offer Share payable in cash by the Offeror on the terms of the Offer
“Offer Share(s)”	all the Shares in issue, other than those already owned by the Offeror or parties acting in concert with it

“Offeror”	Smart Paradise International Limited, a limited liability company incorporated in the British Virgin Islands, the entire issued share capital of which is wholly and beneficially owned by Mr. Dai
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Registrar”	Union Registrars Limited, the branch share registrar of the Company in Hong Kong
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 October 2016 entered into between the Offeror and the Vendor in relation to the Share Transfer
“Sale Share(s)”	599,100,000 Shares legally and beneficially owned by the Vendor as at the date of the Sale and Purchase Agreement and immediately prior to Share Transfer Completion, representing approximately 53.5% of the total issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Transfer”	the transfer of the Sale Shares by the Vendor to the Offeror pursuant to the terms and conditions of the Sale and Purchase Agreement
“Share Transfer Completion”	the completion of the Sale and Purchase Agreement which took place on 27 October 2016

“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shinco Capital”	Shinco Capital Limited, a licensed corporation under the SFO, licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, and one of the joint financial advisers to the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong in force from time to time
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Vendor”	Profound Union Limited, a limited liability company incorporated in the British Virgin Islands, a controlling Shareholder immediately prior to the Share Transfer Completion, and is legally owned as to approximately 40.31% by Mr. Liu Su Ke, approximately 14.52% by Mr. Lai Kwan Hin, approximately 11.16% by Mr. Kan Yiu Keung (an executive Director and the chief executive officer of the Company), approximately 11.16% by Mr. Kan Yiu Kwok (a non-executive Director), approximately 6.42% by Mr. Kan Man Hoo, approximately 5.80% by Mr. Yau Shik Fan, Eddy, approximately 5.58% by Mr. Liu Winson Wing Sun (an executive Director) and approximately 5.04% by Mr. Chan Lo Kin (an executive Director)
%	Per cent.

By Order of the board
Smart Paradise International Limited
Dai Jian
Sole director

By Order of the Board
Yat Sing Holdings Limited
Lai Aizhong
Chairman

Hong Kong, 27 October 2016

As at the date of this joint announcement, the Board comprises four executive Directors, namely Mr. Lai Aizhong, Mr. Liu Winson Wing Sun, Mr. Kan Yiu Keung (Chief Executive Officer) and Mr. Chan Lo Kin, one non-executive Director, namely Mr. Kan Yiu Kwok, and three independent non-executive Directors, namely Ms. Tong Sze Wan, Mr. Guo Biao and Ms. Song Dan.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Dai Jian.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this joint announcement misleading.

** For identification purpose only*

*** The English translation of the Chinese names of the PRC entities in this joint announcement, where indicated, is included for identification purpose only and is not the official English names for such PRC entities.*