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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 the Company.*

**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  
INCREASE IN OFFER PRICE OF  
THE 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)**

**INCREASE IN OFFER PRICE**

The SFC has indicated it is deeming an individual, Mr. Bao, who admitted to have acquired a certain number of Shares at HK\$0.94 per Share during the six-month period prior to the commencement of the Offer Period and disposed of the same in full during the Offer Period and before the publication of the Joint Announcement, to be a party acting in concert with the Offeror. As such the Offeror would be required, under Rule 26.3 of the Takeovers Code, to increase the Offer Price to HK\$0.94 per Offer Share, which is equivalent to the price per Share paid by Mr. Bao for his acquisition.

While the Offeror disagrees such individual shall be taken or deemed to be a party acting in concert with it, with a view to avoiding any further delay in the despatch of the Composite Document, and to completing the Offer as required under the Takeovers Code expeditiously, the Offeror proposed to increase the Offer Price from HK\$0.563 per Offer Share to HK\$0.94 per Offer Share.

### **Confirmation of financial resources**

The Offeror would finance the additional amount of the consideration payable under the revised Offer by an Additional Facility granted by Kingston Securities on terms similar to the Offer Facility. 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 meet full acceptance of the revised Offer.

Further updates on disclosures as required under Rule 3.5 of the Takeovers Code are set out in this announcement.

Reference is made to the joint announcement published by the Company and the Offeror dated 27 October 2016 in relation to, amongst other things, the unconditional mandatory cash offer (the “**Joint Announcement**”) and the joint announcements published by the Company and the Offeror dated 17 November 2016 and 2 December 2016 in relation to the delay in despatch of the Composite Document. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

### **INCREASE IN OFFER PRICE**

The SFC has indicated it is deeming an individual, Mr. Bao Xibin (“**Mr. Bao**”), who admitted to have acquired a certain number of Shares at HK\$0.94 per Share during the six-month period prior to the commencement of the Offer Period and disposed of the same in full during the Offer Period and before the publication of the Joint Announcement, to be a party acting in concert with the Offeror. As Mr. Bao has dealt in the Shares within the six-month prior to the commencement of the Offer Period, the Offeror would be required, under Rule 26.3 of the Takeovers Code, to increase the Offer Price to HK\$0.94 per Offer Share, which is equivalent to the price per Share paid by Mr. Bao for his acquisition.

While the Offeror disagrees Mr. Bao shall be deemed to be a party acting in concert with it, with a view to avoiding any further delay in the despatch of the Composite Document, and to completing the Offer as required under the Takeovers Code expeditiously, the Offeror proposed to increase the Offer Price from HK\$0.563 per Offer Share to HK\$0.94 per Offer Share (the “**Revised Offer Price**”). Save as aforesaid, no other changes to the terms of the Offer are being made. The Composite Document will contain, amongst other things, details of the revised Offer.

## UPDATES TO THE INFORMATION SET OUT IN THE JOINT ANNOUNCEMENT

The Revised Offer Price of HK\$0.94 per Offer Share represents:

- (i) an increase of approximately 66.96% as compared to the previous Offer Price of HK\$0.563 per Share;
- (ii) a discount of approximately 32.37% 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;
- (iii) a discount of approximately 77.18% to the closing price of HK\$4.12 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (iv) a discount of approximately 74.83% 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;
- (v) a discount of approximately 71.88% 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;
- (vi) a discount of approximately 51.42% 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;
- (vii) a premium of approximately 517.61% 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); and
- (viii) a discount of approximately 75.84% to the closing price of HK\$3.89 per Share as quoted on the Stock Exchange on 12 December 2016, being the date of this joint announcement.

### **Total value of the Offer**

As at the date of this announcement, the total issued share capital of the Company is 1,118,800,000 Shares, and based on the Revised Offer Price of HK\$0.94 per Offer Share, the entire issued share capital of the Company is valued at HK\$1,051,672,000. Excluding the 599,100,000 Shares (representing approximately 53.5% of the total issued share capital of the Company) owned by the Offeror and parties acting in concert with it as at the date of this joint announcement, 519,700,000 Offer Shares will be subject to the Offer and the Offer is valued at HK\$488,518,000 based on the Revised Offer Price.

## **Confirmation of financial resources**

The Offeror would finance the additional amount of the consideration payable under the revised Offer by an additional loan facility (the “**Additional Facility**”) granted by Kingston Securities on terms similar to the Offer Facility. Pursuant to the terms and conditions of the Offer Facility and the Additional 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 and the Additional Facility. The payment of interest on, repayment of, or security for any liability (contingent or otherwise) for, the Offer Facility and the Additional Facility will not depend on any significant extent on the business of the Group. Save for the 599,100,000 Sale Shares owned by the Offeror as at the date of this joint announcement being charged in favour of 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 meet full acceptance of the revised Offer.

## **Dealing and interest in the Company’s securities**

The Offeror disagrees that Mr. Bao be taken or deemed to be a party acting in concert with it. If Mr. Bao is included as a party acting in concert with the Offeror, save for (i) the acquisition of the Sale Shares by the Offeror pursuant to the Sale and Purchase Agreement; and (ii) Mr. Bao’s acquisition of 200,000 Shares (representing approximately 0.02% of the total issued share capital of the Company) on 23 September 2016 at the price of HK\$0.94 per Share and the disposal of the same in full at 24 October 2016 at HK\$3.95 per Share, 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 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 the Sale Shares held by the Vendor dated 29 September 2016, and the period up to and including the date of the Joint Announcement and this joint announcement.

Save for the above disclosures, there is no other updates on disclosure as required under Rule 3.5 of the Takeovers Code, and consequently, the Joint Announcement shall be read in conjunction with this joint announcement and the disclosures made herein.

**Warnings:**

**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.**

Hong Kong, 12 December 2016

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*

*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.*