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## **YAT SING HOLDINGS LIMITED**

### **日成控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 3708)**

### **PROFIT GUARANTEE**

References are made to the circular of Yat Sing Holdings Limited (the “**Company**”) dated 19 March 2018 (the “**Circular**”) and the completion announcement of the Company dated 23 April 2018, in relation to the acquisition of 55% equity interest in Jiangyin Grabene Graphene Photocatalytic Technology Co., Ltd.\* (江陰嘉潤石墨烯光催化技術有限公司) (the “**Target Company**”) by a wholly-owned subsidiary of the Company. Unless otherwise indicated, the capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

Pursuant to the Sale and Purchase Agreement, the Vendor had irrevocably warranted and undertaken that, among other things, the 2018 Actual Profits shall be not less than RMB10,000,000 (equivalent to approximately HK\$11,875,000) and the 2019 Actual Profits shall be not less than RMB12,000,000 (equivalent to approximately HK\$14,250,000). As security for the performance of the obligations of the Vendor under the Profit Guarantee, the Vendor had paid a sum in the aggregate amount of RMB12,000,000 (equivalent to approximately HK\$14,250,000) to the Purchaser, comprising:

- a. RMB6,000,000 (equivalent to approximately HK\$7,125,000) as security deposit for the fulfillment of the 2018 Profit Guarantee; and
- b. the remaining RMB6,000,000 (equivalent to approximately HK\$7,125,000) as security deposit for the fulfillment of the 2019 Profit Guarantee.

The Target Company had appointed an auditor to perform the audit of the consolidated financial statements and the after-tax net profit of the Target Company for the year ended 31 December 2018, who had issued the 2018 Certificate of Profits showing that the 2018 Actual Profits is RMB1,272,000, which is less than the 2018 Profit Guarantee. As the 2018 Deductible Amount was more than RMB6,000,000, the 2018 PG Security Deposit has been forfeited by the Purchaser as full and final compensation for the 2018 Profit Guarantee in accordance with the Sale and Purchase Agreement.

By Order of the Board  
**Yat Sing Holdings Limited**  
**Dai Jian**  
*Chairman*

Hong Kong, 3 April 2019

*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.*

\* *The English translation of Chinese name in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese name.*