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KIN YAT HOLDINGS LIMITED
建溢集團有限公司

website: <http://www.kinyat.com.hk>

(Incorporated in Bermuda with limited liability)

(Stock Code: 638)

VOLUNTARY ANNOUNCEMENT
Business update – acquisition in Malaysia

The board of directors of Kin Yat Holdings Limited (the “**Company**”) is pleased to announce that the Company, through certain of its wholly-owned subsidiaries, as purchaser has entered into the conditional sale and purchase agreement dated 21 May 2010 (the “**S&P Agreements**”) with a Malaysian company (in receivership and in liquidation) (the “**Seller**”) acting by and through the relevant receiver and manager and liquidator. Pursuant to the S&P Agreements, the Company has agreed to purchase and the Seller has agreed to dispose of the manufacturing/productive assets including all machineries and equipment and land and buildings (the “**Assets**”) situated in Johor Bahru, Malaysia, for the production of micro-electric encoder system/film and media.

The acquisition of the Assets and the transactions contemplated under the S&P Agreements shall be referred to as the “**Acquisition**” herein. Based on the relevant applicable percentage ratios calculated, the Acquisition does not constitute as a notifiable transaction for the Company.

This announcement is made by Kin Yat Holdings Limited (the “**Company**”) in accordance with Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Reference is made to the voluntary announcement of the Company dated 2 February 2010 (the “**2 Feb Announcement**”).

Further to the 2 Feb Announcement, the board of directors (the “**Board**”) of the Company is pleased to announce that the Company, through certain of its wholly-owned subsidiaries, as purchaser has entered into the conditional sale and purchase agreement dated 21 May 2010 (the “**S&P Agreements**”) with a Malaysian company (in receivership and in liquidation) (the “**Seller**”) acting by and through the relevant receiver and manager and liquidator. Pursuant to the S&P Agreements, the Company has agreed to purchase and the Seller has agreed to dispose of the manufacturing/productive assets including all machineries and equipment and land and buildings (the “**Assets**”) situated in Johor Bahru, Malaysia, for the production of micro-electric encoder system/film and media (the “**Products**”). The acquisition of the Assets and the transactions contemplated under the S&P Agreements shall be referred to as the “**Acquisition**” herein. Completion of the S&P Agreements is conditional upon, inter alia, the obtaining of all relevant government approvals, licences and permits with respect to the Acquisition and the operations by the Company to manufacture the Products in Malaysia as a result of the Acquisition, on or before the last date of the period of nine months from the date of the S&P Agreements or such other later date as the parties thereto mutually agreed.

Based on the applicable percentage ratios, as defined in Rule 14.04 of the Listing Rules, calculated in respect of the Acquisition, the Acquisition does not constitute a notifiable transaction for the Company.

The Acquisition is an integral part of our business initiative made with respect to our micro-electric motor and micro-electric motor related businesses (the “**Motor Businesses**”). In an effort to provide better value to our customers, we have been recently reorganising the Motor Businesses which are now being undertaken under a single umbrella corporate brand, 標準電機控股有限公司 Standard Electric Holdings Limited (“**Standard Electric**”), operating principally through our wholly-owned subsidiaries, namely Standard Motor Co. Ltd., Smart Electric Motor Co. Ltd. and the operating company incorporated in respect of the Acquisition. Standard Electric offers to customers in a wide range of industries multiple types of micro-electric motor and micro-electric motor-related products, including, DC/AC motor and brushless motor, motor encoder system, and encoder film and media (subject to the completion of the Acquisition).

By Order of the Board
Kin Yat Holdings Limited
Cheng Chor Kit
Chairman

Hong Kong, 10 June 2010

As at the date of this announcement, the Board comprises four executive directors, namely Mr Cheng Chor Kit, Mr Fung Wah Cheong, Mr Wong Weng Loong and Mr Liu Tat Luen, and three independent non-executive directors, namely Dr Chung Chi Ping, Roy JP, Mr Wong Chi Wai, Albert and Ms Sun Kwai Yu, Vivian.