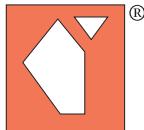


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## KIN YAT HOLDINGS LIMITED

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 638)

## VOLUNTARY ANNOUNCEMENT

### Business update

This announcement is made by Kin Yat Holdings Limited (the “**Company**”, together with its subsidiary, the “**Group**”) in accordance with Rule 13.09(1) of the Rules Government the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company would like to announce that the Company is engaged in the documentation and negotiation of the terms with the relevant parties regarding a potential acquisition of (the “**Acquisition**”) certain manufacturing/productive assets including land and buildings in Malaysia in relation to the manufacture of encoder system/media particularly for office automation machines including but not limited to printers. Encoder system, which makes use of micro-electric motor as a key component, is essential for movement control in most printers. Through the Acquisition, the Group intends to enhance vertical integration of its micro-electric motor business as well as to offer a broader range of products and services to customers in office automation industry which is one of the most important markets for motor and motor-related products.

The Company will comply with the relevant requirements under the Listing Rules at the appropriate time when the Acquisition materializes. Based on the terms currently envisaged, the Acquisition will not be classified as a notifiable transaction for the Company. However, **shareholders of the Company and potential investors should note that the Acquisition may or may not be finalized and should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 2 February 2010

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Mr. Wong Wai Ming, 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.*