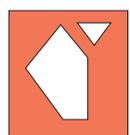


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**KIN YAT HOLDINGS LIMITED**  
**建溢集團有限公司**

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 638)**

**VOLUNTARY ANNOUNCEMENT**  
**Business update – embarking on natural**  
**resources development business in Lao PDR**

The board of directors of Kin Yat Holdings Limited (the “**Company**”) is pleased to announce that the Company, through its 70%-owned subsidiary (Ordovician Mining (Hong Kong) Limited, referred to as “**OMHK**”), as licensee entered into a prospecting and exploration agreement on 3 November 2011 (the “**P&E Agreement**”) with the Government of the Lao People’s Democratic Republic (the “**Lao PDR**”). Pursuant to the P&E Agreement, OMHK has been granted, inter alia, the sole rights to search for, prospect and explore for copper and iron and their respective associated minerals in a tenement area totalling 324 square kilometres in Saiyabouly Province, Lao PDR.

Prospecting and exploration may or may not result in discovery of an economic mineral resource, in view of the early stage of development and the investment riskiness of the project, **shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of 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**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that the application submitted by the Company, through its 70%-owned subsidiary (Ordovician Mining (Hong Kong) Limited, referred to as “**OMHK**”), for the exploration rights in relation to an adjusted tenement area totalling 324 square kilometres (the “**Tenement Area**”) was approved by the Government of the Lao People’ Democratic Republic (the “**Lao PDR**”), and that OMHK, as licensee, subsequently entered into a prospecting and exploration agreement (the “**P&E Agreement**”) with the Government of Lao PDR on 3 November 2011. Pursuant to the P&E Agreement, OMHK has been granted, inter alia, the sole rights to search for, prospect and explore for copper and iron and their respective associated minerals in the Tenement Area.

OMHK is owned as to 70% by the Company. The setting up of OMHK to undertake the natural resources development business in Lao PDR is intended to combine the respective attributes of its three shareholders, namely, the Company and two other partners, in pursuing the defined strategies in developing the business therein. Our partners in OMHK include a well-connected businessman in Lao PDR with long local presence and unrivaled network of connections, and a businessman with extensive investment experience. Each of the said partners is not a connected person (as defined in the Listing Rules) of the Company. Based on the relevant applicable percentage ratios calculated with respect to the setting up of OMHK, the transaction does not constitute a notifiable transaction for the Company.

In furtherance of growing our natural resources development business, the directors of the Company consider it to be in the interest of the Company to enhance the portfolio of our natural resources development projects by diversifying into other countries outside China. Given its development stage, Lao PDR is one of the Southeast Asian countries expected to have substantial undiscovered natural mineral resources.

The Tenement Area is located at Saiyabouly Province, Lao PDR, with limited geological information available. However, based on the results of the geological investigation carried out by our expert in-house geological team with respect to outcropping and mineralisation therein, we were satisfied with the potential of the Tenement Area. OMHK will submit all required documentations to the Government of Lao PDR in order to obtain the relevant exploration licence with respect to the Tenement Area. Moving ahead, OMHK expects to commence prospecting work in the Tenement Area in due course to assess the type and amount of minerals associated therein and the Company will continue to update the progress to shareholders and potential investors of the Company.

Prospecting and exploration may or may not result in discovery of an economic mineral resource, in view of the early stage of development and the investment riskiness of the project, **shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Kin Yat Holdings Limited**  
**Cheng Chor Kit**  
*Chairman and Chief Executive Officer*

Hong Kong, 16 November 2011

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent, Mr. Liu Tat Luen and Mr. Chui Pak Shing and three independent non-executive directors, namely Prof. Chung Chi Ping, Roy JP, Mr. Wong Chi Wai and Ms. Sun Kwai Yu.*