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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)

**INSIDE INFORMATION
LETTER OF INTENT IN RELATION TO
STRATEGIC COOPERATION
IN DUSHAN, GUIZHOU**

This announcement is made by the Board pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

The Board is pleased to announce that on 30 September 2016, the Group entered into the non-legally binding LOI with the Dushan EDZ Administration, pursuant to which the Dushan EDZ Administration and the Group shall establish a strategic partner relationship for closer cooperation. In particular, Dushan EDZ Administration will support the Group to undertake certain development and investment projects in the Dushan County, Guizhou Province, the PRC.

The Board wishes to emphasise that no binding agreement in relation to any or all of the initiatives contemplated under the Cooperation has been entered into as at the date of this announcement. As such, any or all of the initiatives contemplated under the Cooperation may or may not proceed. Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Cooperation will be made by the Company as and when appropriate and in compliance with the Listing Rules.

INTRODUCTION

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Kin Yat Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The Board is pleased to announce that on 30 September 2016, the Group entered into a non-legally binding framework agreement (the “**LOI**”) with 貴州獨山經濟開發區管理委員會 (English translation: Guizhou Dushan Economic Development Zone Management Committee) (the “**Dushan EDZ Administration**”).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Dushan EDZ Administration and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

THE COOPERATION

Pursuant to the LOI, Dushan EDZ Administration and the Group shall establish a strategic partner relationship for closer cooperation. In particular, Duzhan EDZ Administration will support the Group to undertake the following development and investment projects in the Dushan County (“**Dushan County**”), Guizhou Province, the People’s Republic of China (the “**PRC**”). The parties will explore and pursue the following strategic business cooperation initiatives (the “**Cooperation**”):

- (1) **Establishment of Joint Venture for Property Development:** a joint venture company is intended to be incorporated by the Group and Dushan EDZ Administration to undertake a property development project of a landmark super high-rise commercial and luxury 5-star hotel complex in Dushan County. Such joint venture company is expected to be majority owned by the Group, with the remaining minority interest to be owned by Dushan EDZ Administration or its related party;
- (2) **Purchase of the Group’s Properties:** Dushan EDZ Administration intends to apply for the necessary approval from 獨山縣人民政府 (English translation: Dushan County People’s Government) (the “**Dushan Government**”), to appoint a state-owned enterprise to purchase 100 units of low-density residential properties with gross floor area of approximately 30,000 square meters, representing approximately 90% of the inventory of properties developed by the Group at The Royale Cambridge Residences, located in Dushan County. The purchase price will be determined with reference to the cost of the development;

- (3) **Shanty-Town Reformation Project:** Dushan EDZ Administration intends to apply for the necessary approval from Dushan Government to support the inclusion of the Group's new property development project, with saleable area of approximately 600,000 square meters, as a resettlement location under 獨山縣棚戶區改造項目 (English translation: Dushan Shanty-Town Reformation Project); and
- (4) **Building of Concrete Batching Plant:** Dushan EDZ Administration intends to assist the Group to build a concrete batching plant in Dushan County in order to support the Group's need in construction resources for its property development projects.

The LOI is non-legally binding and detailed terms and conditions for the Cooperation will be subject to further negotiation and to be agreed and confirmed in the definitive agreement(s) to be entered into by the parties in respect of the Cooperation. The parties also agree that any terms of the Cooperation shall be subject to the Company's compliance with the provisions under the SFO and the Listing Rules as the conditions precedent and further agree that should the conditions precedent not be fulfilled each party shall not be held responsible for proceeding with the Cooperation projects.

The Board wishes to emphasise that no binding agreement in relation to any or all of the initiatives contemplated under the Cooperation has been entered into as at the date of this announcement. As such, any or all of the initiatives contemplated under the Cooperation may or may not proceed. Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Cooperation will be made by the Company as and when appropriate and in compliance with the Listing Rules.

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

Hong Kong, 30 September 2016

As at the date of this announcement, the Board comprises ten Directors, of which six are executive Directors, namely Mr. CHENG Chor Kit, Mr. FUNG Wah Cheong, Vincent, Mr. LIU Tat Luen, Mr. CHENG Tsz To, Mr. CHENG Tsz Hang and Mr. CHIN Wee Hon; and four independent non-executive Directors, namely Mr. WONG Chi Wai, Dr. SUN Kwai Yu, Vivian, Mr. CHENG Kwok Kin, Paul and Mr. CHEUNG Wang Ip.