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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you have sold or transferred all your shares in **Kin Yat Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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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)**

### **GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (the “AGM”) of Kin Yat Holdings Limited (the “Company”) to be held at Studio Room, 4/F., pentahotel Hong Kong, Kowloon, 19 Luk Hop Street, San Po Kong, Kowloon, Hong Kong on Thursday, 16 August 2018 at 3:00 p.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the AGM is also enclosed.

Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to our branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the meeting if they so wish.

17 July 2018

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## DEFINITIONS

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*In this circular, the following expressions shall have the meanings set out below:*

“AGM”	the annual general meeting of the Company to be held at Studio Room, 4/F., pentahotel Hong Kong, Kowloon, 19 Luk Hop Street, San Po Kong, Kowloon, Hong Kong on Thursday, 16 August 2018 at 3:00 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the AGM which is set out on pages 15 to 19 of this circular;
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the Company’s board of Directors;
“Bye-law(s)”	the bye-law(s) of the Company;
“Company”	KIN YAT HOLDINGS LIMITED, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Core Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise the powers of the Company to allot, issue or deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution;
“Latest Practicable Date”	11 July 2018, being the latest practicable date prior to the printing of this circular for inclusion of certain information contained herein;

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PwC”	PricewaterhouseCoopers, Certified Public Accountants;
“Repurchase Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise the powers of the Company to repurchase Shares of up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution;
“Retiring Director(s)”	the Director(s) retiring at the AGM and, being eligible, who offer themselves for re-election at the AGM, in accordance with the Bye-laws;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial or Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong;
“HK\$”	HK\$;
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

### BOARD OF DIRECTORS

#### *Executive Directors:*

Mr. Cheng Chor Kit

*(Chairman and Chief Executive Officer)*

Mr. Fung Wah Cheong, Vincent

Mr. Liu Tat Luen

Mr. Cheng Tsz To

Mr. Cheng Tsz Hang

Mr. Hui Ka Po, Alex

#### *Independent Non-executive Directors:*

Mr. Wong Chi Wai

Dr. Sun Kwai Yu, Vivian

Mr. Cheng Kwok Kin, Paul

Mr. Cheung Wang Ip

### REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### PRINCIPAL PLACE OF BUSINESS

7th Floor

Galaxy Factory Building

25-27 Luk Hop Street

San Po Kong

Kowloon

Hong Kong

17 July 2018

*To the Shareholders*

Dear Sir or Madam,

## **GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

### **1. INTRODUCTION**

The purpose of this circular is to provide you with, inter alia, the relevant information regarding the resolutions to be proposed at the annual general meeting of Kin Yat Holdings Limited to be held on Thursday, 16 August 2018. The proposed resolutions include (i) the grant to the Board the Repurchase Mandate and the Issuance Mandate and the extension of such mandate to issue additional new Shares; (ii) the re-election of Retiring Directors of the Company.

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## LETTER FROM THE BOARD

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### 2. REPURCHASE MANDATE AND ISSUANCE MANDATE

At the annual general meeting of the Company held on 31 August 2017, relevant resolutions were passed to grant general mandates to the Directors to exercise the powers of the Company to repurchase Shares of up to 10% of the issued share capital of the Company as at 31 August 2017 and to allot, issue or deal with additional new Shares up to a limit equal to 20% of the issued Shares as at 31 August 2017 plus the nominal amount of any Shares repurchased by the Company. In accordance with the Listing Rules, such mandates will lapse at the conclusion of the AGM unless otherwise renewed at the AGM. The following ordinary resolutions will therefore be proposed at the AGM to renew the Repurchase Mandate and the Issuance Mandate and the extension of such mandate to issue additional new Shares:

- (a) to purchase Shares on the Stock Exchange of up to 10% of the nominal amount of the issued share capital of the Company on the date of passing such resolution (the **“Repurchase Mandate”**);
- (b) to allot, issue or deal with Shares of up to 20% of the nominal amount of the issued share capital of the Company on the date of passing such resolution (the **“Issuance Mandate”**); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of any Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

Subject to the passing of the ordinary resolutions to approve the Repurchase Mandate and the Issuance Mandate at the AGM and the basis that no further Shares are bought back and issued between the Latest Practicable Date and the date of AGM, the Company would be allowed to buy back up to a maximum of 43,869,000 Shares under the Repurchase Mandate; and to allot, issue or deal with 87,792,000 Shares under the Issuance Mandate (representing 10% and 20% of the Shares in issue as at the Latest Practicable Date respectively).

The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 3. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprised six 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. Hui Ka Po, Alex, 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.

Pursuant to Bye-law 87(1), unless and until the Company in a general meeting shall otherwise determine, at each annual general meeting, one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as chairman or managing director) shall be subject to retirement by rotation at least once every three years or within such other period as the designated stock exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company.

Accordingly, Mr. Cheng Chor Kit, Mr. Liu Tat Luen, Dr. Sun Kwai Yu, Vivian and Mr. Cheng Kwok Kin, Paul, being the Directors who shall retire by rotation, will retire at the AGM and, being eligible, offer themselves, for re-election at the AGM.

The Company has received from Dr. Sun Kwai Yu, Vivian and Mr. Cheng Kwok Kin, Paul, the confirmation of independence pursuant to the Rule 3.13 of the Listing Rules.

Further, pursuant to the code provision as set out in paragraph A.4.3 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders.

Dr. Sun Kwai Yu, Vivian (“**Dr. Sun**”) has served as independent non-executive Director more than nine years and her re-election will be subject to a separate resolution to be approved by the Shareholders. Taking into consideration of Dr. Sun’s independent scope of works during her tenure of office, she has not involved in any daily management but yet expressed objective views and given independent guidance to the Company over the years. As an independent non-executive Director with in-depth understanding of the Company’s operations and business and with professional qualifications, the Directors consider that the long service of Dr. Sun would not affect her exercise of independent judgement and is satisfied that Dr. Sun has the required character, integrity and experience to continue fulfilling the role of independent non-executive Director. The Directors consider the re-election of Dr. Sun as independent non-executive Director is in the best interest of the Company and Shareholders as a whole.

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## LETTER FROM THE BOARD

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The nomination committee of the Board has also recommended to the Board that the Retiring Directors are eligible for re-appointment. The particulars of those Retiring Directors offering themselves for re-election which are required to be disclosed by the Listing Rules are set out of Appendix II to this circular.

#### **4. AGM AND PROXY ARRANGEMENT**

The notice of the AGM proposed to be held at Studio Room, 4/F., pentahotel Hong Kong, Kowloon, 19 Luk Hop Street, San Po Kong, Kowloon, Hong Kong on Thursday, 16 August 2018 at 3:00 p.m. is set out on pages 15 to 19 of this circular. At the AGM, ordinary resolutions, as set out in full in the notice of AGM in this circular, will be proposed to approve (i) the grant to the Board the Repurchase Mandate and the Issuance Mandate and the extension of which to issue additional new Shares; (ii) the re-election of Retiring Directors.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at the AGM will be taken by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the AGM is enclosed herewith. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

#### **5. RECOMMENDATION**

The Directors consider that ordinary resolutions with respect to (i) the grant to the Board the Repurchase Mandate and the Issuance Mandate and the extension of which to issue additional new Shares; and (ii) the re-election of Retiring Directors as set out respectively in the notice of AGM are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of such resolutions to be proposed at the AGM.

Your faithfully,  
By Order of the Board  
**Cheng Chor Kit**  
*Chairman and Chief Executive Officer*



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## **APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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*This Appendix serves an explanatory statement as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.*

### **1.      SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 438,960,000 Shares.

Subject to the passing of the ordinary resolution and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 43,896,000 Shares during the period in which the Repurchase Mandate remains in force.

### **2.      REASONS FOR SHARE REPURCHASE**

Although the Directors have no present intention of repurchasing any Share, they believe that the proposed granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchases of Shares may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **3.      FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws, the laws of Bermuda and other applicable laws.

The Company is empowered by its memorandum of association and Bye-laws to repurchase its Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares, or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for such purpose. The amount of premium payable on repurchase may only be paid out of the Company's funds which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased.

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## APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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There might be material adverse impact on the working capital and/or the gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2018) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing level of the Company unless the Directors consider that such purchases are in the best interests of the Company.

### 4. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective Associates, has any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchase under Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No Core Connected Person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as interpreted according to the Takeovers Code), depending on the level of the increase of the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Cheng Chor Kit ("**Mr. Cheng**"), an executive Director, together with his Associates, Madam Tsang Yuk Wan, the spouse of Mr. Cheng, and Resplendent Global Limited, was taken to be interested in 266,726,000 Shares representing approximately 60.76% of the Shares issued by the Company. Padora Global Inc. is the beneficial owner of entire issued capital of Resplendent Global Limited. Padora Global Inc. is wholly owned by Polo Asset Holdings Limited, which is ultimately owned by the trustees of a discretionary trust (the "**Trust**") established by Mr. Cheng for his family. In the event that the Directors exercise in full the power to repurchase Shares in accordance with

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## APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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the terms of the ordinary resolution to be proposed at the AGM, and on the basis that no further Shares are issued, the interest of Mr. Cheng and his Associates in the issued share capital of the Company would be increased to approximately 67.51%. However, the Directors wish to state that they have no present intention to exercise the power of the Company to repurchase Share to such an extent as would result in the number of Shares held by the public falling below 25%.

### 5.      MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during the previous 12 months before the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2017</b>		
July	2.410	1.850
August	2.130	1.820
September	2.230	1.890
October	2.300	1.850
November	2.630	1.980
December	3.040	2.400
<b>2018</b>		
January	2.960	2.580
February	2.850	2.440
March	3.150	2.400
April	3.150	2.540
May	3.010	2.630
June	3.590	2.380
July (up to Latest Practicable Date)	2.550	2.320

### 6.      SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

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## APPENDIX II      PARTICULARS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

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*The following are the particulars (as required by the Listing Rules) of the Directors who will retire and, being eligible, offer themselves for re-election at the AGM.*

### **MR. CHENG CHOR KIT, EXECUTIVE DIRECTOR**

Mr. Cheng Chor Kit (“**Mr. Cheng**”), aged 66, is the chairman and chief executive officer of the Company. He is the founder of the Group and is responsible for the Group’s overall operation and strategic planning. He is a member of the Board’s remuneration committee and nomination committee as well as a director of a number of subsidiaries of the Company. Mr. Cheng currently is a Standing member of the 12th Shaoguan Committee of the Chinese People’s Political Consultative Conference and was also a former member of the Guangdong Provincial Committee of the Chinese People’s Political Consultative Conference. He has over 40 years’ experience in the toy industry. Saved as disclosed above, Mr. Cheng did not hold any other major appointments and has not held any position or directorship in other listed public companies in the last three years preceding the Latest Practical Date.

Mr. Cheng has entered into service contract with the Company commencing from 1 April 2005 without a fixed term but subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company’s Bye-laws unless terminated by either party giving six months’ notice in writing to the other party. The annual total emoluments for Mr. Cheng are HK\$6,000,000 and he is also entitled to a discretionary annual bonus calculated upon the performance of the Group. Mr. Cheng’s emoluments are determined by the Board of the Company after arm’s length negotiation with reference to the prevailing market condition.

Mr. Cheng is the father of Mr. Cheng Tsz To and Mr. Cheng Tsz Hang, the executive Directors of the Company. Save as disclosed above, Mr. Cheng has no relationship with any other Directors, senior management, Substantial or Controlling Shareholder of the Company.

As at the Latest Practicable Date, Mr. Cheng together with his Associates, Madam Tsang Yuk Wan, the spouse of Mr. Cheng and Resplendent Global Limited, was taken to be interested in 266,726,000 Shares representing approximately 60.76% of the Shares issued by the Company. Padora Global Inc. is the sole beneficial owner of Resplendent Global Limited. Padora Global Inc. is wholly owned by Polo Asset Holdings Limited, which is ultimately owned by the trustees of a discretionary trust established by Mr. Cheng for his family. Apart from the above, Mr. Cheng did not have any discloseable interests in the Company which were required to be disclosed under the Part XV of SFO.

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## **APPENDIX II                      PARTICULARS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM**

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### **MR. LIU TAT LUEN, EXECUTIVE DIRECTOR**

Mr. Liu Tat Luen (“**Mr. Liu**”), aged 53, was appointed as an executive Director of the Company since December 2009 as well as a director of a number of subsidiaries of the Company. Mr. Liu holds a Bachelor Degree in Science (Quantity Surveying) from the University of Hong Kong and a Master Degree in Business Administration from the Chinese University of Hong Kong. Prior to joining the Company, Mr. Liu served as a director and responsible officer in a corporate finance advisory firm (type 6 regulated activities under the SFO) in Hong Kong and has over 20 years of working experience in the financial industry in Asia as a whole.

Mr. Liu has renewed his service contract with the Company for a term of three years commencing from 28 December 2015 which may be terminated by either party giving to the other party a six-months’ written notice. The annual total emolument for Mr. Liu are HK\$1,692,000 and he is also entitled to a discretionary annual bonus calculated upon the performance of the Group. Mr. Liu’s emoluments are determined by the Board after arm’s length negotiation with reference to prevailing market condition. In accordance with the Bye-Laws, the appointment of Mr. Liu will be subject to retirement by rotation and re-election at the AGM.

Save for his position as executive Director, Mr. Liu has no relationship with any other Directors, senior management, Substantial or Controlling Shareholders of the Company. As at the Latest Practical Date, Mr. Liu did not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practical Date.

As at the Latest Practicable Date, Mr. Liu is personally interested in 2,000,000 ordinary shares and 2,000,000 share options of the Company, totally representing approximately 0.91% of the issued share capital of the Company within the meaning of Part XV of the SFO.

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## APPENDIX II      PARTICULARS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

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### DR. SUN KWAI YU, VIVIAN, INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Sun Kwai Yu, Vivian (“**Dr. Sun**”) *DBA Macq., FCPA (Aust), FCPA*, aged 56, was appointed as an independent non-executive Director of the Company since September 2004. She is the chairperson of the Board’s audit committee and a member of the Board’s remuneration committee and nomination committee. Dr. Sun is a fellow member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and CPA Australia. She had 19 years’ experience in working in a renowned international accounting firm and she is currently the founder and chief consultant of a consultancy firm.

Dr. Sun has renewal her service contract with the Company for as term of three years and commencing on 28 September 2016, which may be terminated by either party by giving to the other party a three-month written notice. Pursuant to the service contract and the revision of standard scale of emoluments for the independent non-executive Directors of which approved by the Board on 18 July 2017, the fixed annual emoluments for Dr. Sun are HK\$300,000. In accordance with the Bye-laws, the appointment of Dr. Sun will be subject to retirement by rotation and re-election at the AGM.

Dr. Sun did not hold any other major appointments and has not held any positions or directorships in other listed public companies in the last three years preceding the Latest Practicable Date and does not hold any other positions in any subsidiaries of the Company.

Save for her position as the independent non-executive Director, Dr. Sun has no relationship with any other Directors, senior management, Substantial or Controlling Shareholders of the Company.

As at the Latest Practicable Date, Dr. Sun has personally interest in 1,000,000 ordinary shares and 400,000 share options of the Company, totally representing approximately 0.31% of the issued share capital of the Company within the meaning of Part XV of the SFO.

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## APPENDIX II      PARTICULARS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

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Although Dr. Sun served as an independent non-executive Director more than nine years, she does not involve in daily management of the Company and she continues to demonstrate the attributes of an independent non-executive Director. There is no evidence that her tenure has had any impact on her independence. In addition, Dr. Sun has confirmed to the Company her independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules. In light of the above, the Board is of the opinion that Dr. Sun remains independent notwithstanding the length of her service and it believes that her valuable knowledge and experience continue to generate significant contribution to the Company and the Shareholders as a whole, and, therefore, consider Dr. Sun to be independent and recommend her to be re-elected.

### **MR. CHENG KWOK KIN, PAUL, INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Cheng Kwok Kin, Paul (“**Mr. Paul Cheng**”) *FCA, FCPA*, aged 66, was appointed as an independent non-executive Director of the Company since June 2014. He is the chairman of the Board’s remuneration committee and a member of the Board’s audit committee and nomination committee. Mr. Paul Cheng has extensive management and operational experience covering accounting, financial services, legal, compliance, company secretarial and corporate governance matters. Mr. Paul Cheng is a fellow member of the Institute of Chartered Accountants in England & Wales and of the HKICPA since 1982 and 1990 respectively. He was a member of the Council of HKICPA in 2006 and 2007 and a member of the Corporate Finance Committee of HKICPA from 2006 to 2012. Currently, Mr. Paul Cheng is a member of the Audit Profession Reform Working Group and the Professional Conduct Committee of HKICPA.

Mr. Paul Cheng qualified as a Chartered Accountant since 1976 in the United Kingdom and was a partner of a firm of Chartered Accountants in London for 14 years before his retirement from the partnership in 1992. Mr. Paul Cheng joined Mitsubishi UFJ Securities (HK) Holdings Limited (“**MUHK**”) initially in 2006 as a managing director, head of legal, compliance and company secretary. He was appointed as a board director and deputy president of MUHK in November 2007 and held these positions until his retirement in December 2012.

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## **APPENDIX II                      PARTICULARS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM**

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Mr. Paul Cheng was an independent non-executive director of Forterra Real Estate Pte. Limited from October 2013 to October 2015. Forterra Real Estate Pte. Limited was a trustee manager of Forterra Trust, a Singapore-based business trust formerly listed on the Singapore Exchange Securities Trading Limited. Mr. Paul Cheng was also an independent non-executive director of RM Group Holdings Limited (stock code: 932), a company listed on the Main Board of the Stock Exchange, from September 2013 to December 2016. Currently, Mr. Paul Cheng serves as an independent non-executive director of Xinyi Solar Holdings Limited (stock code: 968), a company listed on the Main Board of the Stock Exchange. Mr. Paul Cheng has been appointed as an independent non-executive director of Bank of Shanghai (Hong Kong) Limited, a restricted licence bank in Hong Kong, since 29 June 2017.

Saved as disclosed above, Mr. Paul Cheng did not hold any other major appointments and has not held any position or directorship in other listed public companies in the last three years preceding the Latest Practical Date and does not hold any other positions in any subsidiaries of the Company.

Mr. Paul Cheng has renewal his service contract with the Company for as term of three years and commencing on 23 June 2017, which may be terminated by either party by giving to the other party a three-month written notice. Pursuant to the service contract and the revision of standard scale of emoluments for the independent non-executive Directors of which approved by the Board on 18 July 2017, the fixed annual emoluments for Mr. Paul Cheng are HK\$300,000. In accordance with the Bye-laws, the appointment of Mr. Paul Cheng will be subject to retirement by rotation and re-election at the AGM.

Save for his position as the independent non-executive Director, Mr. Paul Cheng has no relationship with any other Directors, senior management, Substantial or Controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Paul Cheng is personally interested in 80,000 ordinary shares and 200,000 share options of the Company, totally representing approximately 0.06% of the issued share capital of the Company within the meaning of Part XV of SFO.

### **OTHER MATTERS THAT NEED TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS**

Save as disclosed above, each of Mr. Cheng Chor Kit, Mr. Liu Tat Luen, Dr. Sun Kwai Yu, Vivian and Mr. Cheng Kwok Kin, Paul confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Cheng Chor Kit, Mr. Liu Tat Luen, Dr. Sun Kwai Yu, Vivian and Mr. Cheng Kwok Kin, Paul as Directors.



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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Kin Yat Holdings Limited (the “**Company**”) to be held at Studio Room, 4/F., pentahotel Hong Kong, Kowloon, 19 Luk Hop Street, San Po Kong, Kowloon, Hong Kong on Thursday, 16 August 2018 at 3:00 p.m. for the following purposes:

1. To receive and approve the audited financial statements and the reports of the directors (the “**Director(s)**”) and of the auditors of the Company for the year ended 31 March 2018.
2. To declare a final dividend for the year ended 31 March 2018.
3.
  - (a) To re-elect Mr. Cheng Chor Kit as an executive Director;
  - (b) to re-elect Mr. Liu Tat Luen as an executive Director;
  - (c) to re-elect Dr. Sun Kwai Yu, Vivian as an independent non-executive Director;
  - (d) to re-elect Mr. Cheng Kwok Kin, Paul as an independent non-executive Director; and
  - (e) to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
4. To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorise the Board to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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### ORDINARY RESOLUTIONS

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**), subject to and in accordance with all applicable laws and the requirements of the Listing Rules as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total nominal value of the share capital of the Company in issue at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution up to:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.”; and

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise that pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution up to:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.”; and

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of shares, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Company or by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. “**THAT** subject to the passing of ordinary resolutions numbered 5 and 6 set out in this Notice, of which this resolution forms part, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under ordinary resolution number 6 set out in this Notice, of which this resolution forms part, be and is hereby increased and extended by the addition thereto of the aggregate nominal amount of the shares of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under ordinary resolution numbered 5 set out in this Notice, of which this resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

By Order of the Board

**Cheng Chor Kit**

*Chairman and Chief Executive Officer*

Hong Kong, 17 July 2018

*As at the date hereof, 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. HUI Ka Po, Alex; 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.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (a) The Annual General Meeting of the Company is scheduled on Thursday, 16 August 2018. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 13 August 2018 to Thursday, 16 August 2018, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 10 August 2018.
- (b) The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is on Friday, 24 August 2018. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 23 August 2018 to Friday, 24 August 2018, both days inclusive, during which period no transfer of share will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Wednesday, 22 August 2018. The payment of final dividend will be made on Friday, 7 September 2018.
- (c) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company.
- (d) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting.