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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

This announcement is made by Kin Yat Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that the Group has recently been awarded by an existing American multinational customer (the “**Customer**”) certain sizeable new manufacturing projects (the “**New Manufacturing Projects**”), mainly related to the manufacture of virtual reality (VR) gaming products. The revenue expected to be generated from the New Manufacturing Projects in the financial year ending 31 March 2019 represents an increase of more than 100% over the average annual revenue of the existing recurrent manufacturing projects from the Customer in the past few years. The Customer, a large-scale global play and entertainment company in terms of stock market capitalisation, has not awarded large-size new projects to the Company for a few years.

The Group is principally engaged in the research-and-development based production and sale of electrical and electronic products (“**E&E Products Business Segment**”), and micro-motors and related products in its manufacturing business division.

The award of the New Manufacturing Projects represents our continuous efforts and attempts to develop the business in relation to VR/AR (Augmented Reality)/MR (Mixed Reality) industry and seek more business from this respected Customer, which is one of our long-term customers in the E&E Products Business Segment, and other customers as well. The Board expects that the capacity expansion of the Group, particularly in the southwestern part of the People's Republic of China, and the accumulated experiences in the manufacture of robotic vacuum cleaners will enable the Group to gain more business opportunities from its customers in the E&E Products Business Segment.

By Order of the Board

Kin Yat Holdings Limited

Cheng Chor Kit

Chairman and Chief Executive Officer

Hong Kong, 11 April 2018

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. 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.