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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
PROGRESS OF THE RESUMPTION OF FACTORY PRODUCTION
AND
MANUFACTURE OF FACE MASKS

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide an update on the progress of the resumption of factory production in the People’s Republic of China (the “**PRC**”) subsequent to the Chinese New Year holiday and our initiatives to manufacture face masks.

In response to the novel coronavirus (the “**Epidemic**”) outbreak, the Government of the PRC issued notices to extend the period of Chinese New Year holiday in the PRC, in particular, both the Guangdong and the Guizhou Provincial Government issued notice to require all enterprises not to resume work before 10 February 2020. The production facilities of the Group in the PRC are located in the Guangdong Province and the Guizhou Province, and our factories thereof are required by the relevant authorities to have approved measures and steps in place with an effort to prevent or avoid the spread of the Epidemic before resumption of production. During the period between 10 February 2020 and the date of this announcement, three factories of the Group comprises the main factory of our motors business segment and two factories under our electrical and electronic products business segment (the “**E&E Segment**”), all in the Guangdong Province, have resumed production with the relevant approvals, with an average of approximately one third of the total workforce reported to work initially. The management has been working closely with the relevant government authorities to finalise the arrangements so as to complete the approval processes for the resumption of production of all our other factories in the PRC and expects that all of them, including our main factory under the E&E segment in Shenzhen and the other factory under the motors business segment in the Guizhou Province, will resume production gradually in due course.

The Group will continue to actively devote its efforts to facilitate the prevention and control of the Epidemic and to ensure the health and safety of the Group's employees. Nevertheless, the Epidemic is expected to lead to some degree of adverse impact on our operation and the operating environment in the PRC in the short-run such as the delayed resumption of factory production after the Chinese New Year holiday and the reduced workforce mobility within the country. The Company is committed to mitigating such adverse impact although the Company believes that effective measures can only be devised when the situation is stabilised.

As an interim response to the situation and in view of the serious shortage of medical equipment supplies in the PRC including but not limited to medical protective face masks and the demand for the Group's internal employee use, the Group is in the process of embarking on the production of medical protective face masks in the PRC, at this first stage, by utilising its existing production resources, transforming the current clean room production facilities, purchasing mask assembly production equipment and collaborating with the local governments to expedite the validation process as much as possible before production can begin. Subject to delivery of the relevant production lines, the Group expects to achieve a daily production capacity of approximately 264,000 to 720,000 pieces of masks in the near future. The Group may also consider to produce medical protective clothing at the later stage.

As the Epidemic continues to develop which may have further adverse impact on the operation of the Group and the relevant mask production business requires to be approved by the relevant government authority in the PRC, shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

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

Hong Kong, 13 February 2020

As at the date of this announcement, the Board comprises nine Directors, of which five are executive Directors, namely Mr. CHENG Chor Kit, Mr. FUNG Wah Cheong, Vincent, Mr. LIU Tat Luen, Mr. CHENG Tsz To and Mr. CHENG Tsz Hang; 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.