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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)

PROFIT WARNING

This announcement is made by Kin Yat Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors of the Company (the “**Director(s)**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited management accounts of the Group for the year ended 31 March 2022 (“**FY22**”), the Company is expected to record a decline in profit attributable to Shareholders of approximately 33%, as compared to that of approximately HK\$103 million for the year ended 31 March 2021 (“**FY21**”).

FY22 has been a year full of challenges and changes that we have had to face with prolonged COVID-19 induced problems across various industries our business segments were involved in while in the midst of implementing diversification strategy in order to mitigate the risk from concentrated customer portfolio under our Electrical and Electronic Products Business Segment (the “**E&E Segment**”) as disclosed in our financial reports and the announcement of the Company dated 3 May 2021. Based on the information currently available, the expected decrease in profit attributable to Shareholders was mainly attributable to (i) the planned reduction in the production of the products for a significant customer in the E&E Segment and the adverse impact of COVID-19 pandemic on our business operations and orders from customers and their ability to fulfill their products which had led to a decrease in the Group’s turnover and gross profit margin despite the fact that our Motors Business Segment had been able to largely maintain its turnover and gross profit margin on a year-on-year basis; (ii) the adverse impact of the appreciation of Renminbi against the U.S. Dollar in FY22 on a

year-on-year basis on our operating costs and expenses; and (iii) the expected decrease in the impairment loss from changes in fair value of our real estate development projects as compared to FY21 which is more than offset by the absence of certain COVID-19-related grants and subsidies in FY22 amounting to approximately HK\$24 million in aggregate.

FY22 has also been the year that we have started to make solid progress in broadening our customer base and diversifying our product portfolio especially with respect to the E&E Segment. Despite the current tough operating environment brought on by the COVID-19 pandemic, following the implementation of the diversification strategy, we nevertheless see the coming years full of opportunities for us to unleash our business potential by leveraging our unrivalled credentials in industrial field particularly in the robotics and juvenile products sectors and to grow a more sustainable future.

The Company is in the process of finalising the results of the Group for the FY22. The information contained in this announcement is only a preliminary assessment by the Board with reference to the currently available unaudited management accounts of the Group which have not been audited or reviewed by the auditors or the audit committee of the Board. Detailed financial information and performance of the Group will be disclosed in its final results announcement for the FY22 which is expected to be published by the end of June 2022.

Shareholders and potential investors 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, 10 May 2022

As at the date of this announcement, the Board comprises (a) five executive Directors, namely Mr. CHENG Chor Kit, Mr. LIU Tat Luen, Mr. CHENG Tsz To, Mr. CHENG Tsz Hang and Mr. LEE Kim Wa, Winston; (b) one non-executive Director, Dr. FUNG Wah Cheong, Vincent; and (c) 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.