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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 board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the management, including the current assessment of the unaudited management accounts of the Group for the year ended 31 March 2023 (“**FY2023**”), the Company is expected to report a net loss attributable to Shareholders for FY2023 ranging from approximately HK\$280 million to HK\$320 million as compared to a profit of approximately HK\$57 million for the year ended 31 March 2022.

The FY2023 was full of challenges and changes that we have had to face with the recurring waves of the COVID-19 pandemic and the slowdown of the global economic growth amid hiking interest rates to contain elevating inflation and hardening geopolitical tensions, which withered the market demands for the products the Group produced and consequently affected the businesses of the Group. The expected net loss attributable to Shareholders for FY2023 was mainly attributable to the reasons set out below:

- (i) the decline in turnover of our Electrical and Electronic Products Segment (the “**E&E Segment**”) (particularly due to the termination of the service contract with a significant customer of the E&E Segment at the beginning of FY2023) and also the decline in turnover of our Motors Business Segment;
- (ii) an aggregate impairment loss of non-financial assets of the two manufacturing business segments of approximately HK\$60 million; and
- (iii) an aggregate impairment loss of the properties under development and the completed properties held for sale of the Group’s two real estate development projects in Dushan County, Guizhou Province of approximately HK\$240 million for the year, of which approximately HK\$120 million was resulted from the write-off of the entire carrying value of the property under development of

Phases 1B, 1C and 1D of *The Jardine Montsouris* (the “**Shelved Phases**”), which is one of the two real estate development projects of the Group, other than the carrying value of the land site of the Shelved Phases, after the decision of shelving and ceasing further development of these phases was made in the first half of FY2023 for reasons disclosed in the Management Discussion and Analysis of the Company’s interim report for the six months ended 30 September 2022 and the remaining approximately HK\$120 million was the aggregate impairment loss of the completed properties held for sale and the properties under development of the said two real estate development projects of the Group due to diminution in market values amidst weak property market in Dushan.

The information contained in this announcement is only based on the current assessment by the Board with reference to the currently available unaudited consolidated management accounts of the Group, which shall be subject to audit and review by the auditors and the audit committee of the Board, respectively. Further details of the financial results and performance of the Group will be disclosed in its annual results announcement for FY2023 which is expected to be published by the end of June 2023.

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, 23 June, 2023

As at the date of this announcement, the Board comprises (a) four executive Directors, namely Mr. CHENG Chor Kit, Mr. LIU Tat Luen, Mr. CHENG Tsz To and Mr. CHENG Tsz Hang; (b) one non-executive Director, Dr. FUNG Wah Cheong, Vincent; and (c) three independent non-executive Directors, namely Mr. WONG Chi Wai, Dr. SUN Kwai Yu, Vivian and Mr. CHEUNG Wang Ip.