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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 the Company pursuant to Rule 13.09 of the Listing Rules.

The Board of the Company wishes to inform shareholders of the Company and potential investors that it is the current estimate of the management of the Company that the Group may record a loss for the six months ended 30 September 2011 as compared to a profit of the same period in 2010. The information contained in this announcement is only a preliminary estimate prepared by the management of the Company and is not based on any figures or information reviewed by the Company's audit committee.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Kin Yat Holdings Limited (the "**Company**", together with its subsidiaries shall be referred to as 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**").

The board of directors (the "**Board**") of the Company wishes to inform shareholders of the Company and potential investors that it is the current estimate of the management of the Company that the Group may record a loss for the six months ended 30 September 2011 as compared to a profit of the same period in 2010, which is primarily due to decline in gross profit margin of the Group as a whole. Such decline was mainly attributable to a decrease in the contribution from the Group's manufacturing businesses amidst a decrease in the revenue and the increase in operating costs as a result of the appreciation of Renminbi, the rising raw material prices and the increase in statutory minimum wages in the People's Republic of China during the period, while the continued investment in strategic growth initiatives with respect to our materials development business and natural resources development business, which were in investment mode, has resulted in higher operating expenses incurred for the Group.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 September 2011. The information contained in this announcement is only based on the information currently available to the Company and is not based on any figures or information that has been reviewed by the Company's audit committee. Detailed financial information and performance of the Group will be disclosed as and when the interim results for the six months ended 30 September 2011 are announced.

Shareholders of the Company 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

Hong Kong, 11 October 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent, Mr. Liu Tat Luen and Mr. Chui Pak Shing and three independent non-executive directors, namely Prof. Chung Chi Ping, Roy JP, Mr. Wong Chi Wai and Ms. Sun Kwai Yu.