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KAI YUAN HOLDINGS LIMITED

開源控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1215)

APPOINTMENT OF EXECUTIVE DIRECTOR AND CHAIRMAN

The board (the “**Board**”) of directors (the “**Directors**”) of Kai Yuan Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) is pleased to announce that Dr. Li Zhiqiang (“**Dr. Li**”) has been appointed as an executive Director and chairman of the Company with effect from the date of this announcement.

Biographical details of Dr. Li are as follows:

Dr. Li, aged 55, has been appointed as an executive Director and chairman of the Company. He has been an independent non-executive director of China First Capital Limited (stock code: 1269), the issued shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), since 19 October 2011. In addition, Dr. Li had also served (i) as an executive director of Seamless Green China (Holdings) Limited (stock code: 8150) between June 2016 and May 2017, the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange; and (ii) as an executive director and deputy chairman of China Shanshui Cement Group Limited (stock code: 691) between November 2017 and March 2018, the issued shares of which are listed on the main board of the Stock Exchange.

Dr. Li has been the legal advisor of the General Office of the Central Military Commission of the PRC and an executive editor-in charge of China Military Law Magazine* (《中國軍法》) since 1994, a responsible person (in charge) of letters and visits reporting centre of China Insurance Regulatory Commission since 2003 and an executive director and the president of Shougang Holdings Limited* (首鋼控股有限公司) since 2004. He was a director of Sino Life Insurance Co., Ltd. in 2006 and vice chairman in 2008, and chairman of China Int'l Culture Media Limited since 2006. He was also appointed as the chairman and secretary to the Communist Party Committee of Shougang Yili Steel Co., Ltd.* (首鋼伊犁鋼鐵有限公司) and a director of Tonghua Steel Holdings Co. Ltd.* (通化鋼鐵集團股份有限公司) in 2010. Dr. Li was elected as China's Top Ten Wealthy and Intelligent Figures (中華十大財智人物) in 2010. He was honored with China's Top Ten Economic Figures of the Year (中國十大年度經濟人物大獎), Excellent Worker of Beijing Municipal (北京市勞動模範) and Best Entrepreneur of Beijing Municipal (北京市優秀企業家) in 2012. Dr. Li was honored by the United Nations Educational, Scientific and Cultural Organization, Ministry of Education and Ministry of Culture of the PRC with the Confucius Business Prize and was the honorary chairman of China Confucius Business Club* (中國孔子儒商俱樂部) in 2015. Dr. Li graduated from University of Science and Technology of China with a master of management and Euromed Marseille Ecole de Management with a doctor of management and is currently the academician of the World Academy of Productivity.

Dr. Li has not entered into any service contract with the Group in relation to his appointment as an executive Director and chairman of the Company. There is no specific length of service in respect of his appointment, but is subject to retirement by rotation and is eligible for re-election at the annual general meetings of the Company in accordance with the Company's bye-laws. Dr. Li is entitled to a director's fee of HK\$3,300,000 per annum. The fee was mutually agreed upon between the Board and Dr. Li by reference to the prevailing market conditions. Such fee is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

* *For Identification Purpose Only*

Save as disclosed above, as at the date of this announcement, Dr. Li (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold any positions with any members of the Group. Save as disclosed above, there is no other matter in relation to the appointment of Dr. Li that needs to be brought to the attention of holders of securities of the Company, and there is no information in relation to Dr. Li that needs to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Rules Governing of Listing of Securities on the Stock Exchange.

The Board would like to extend a warm welcome to Dr. Li for joining the Board.

By order of the Board
Kai Yuan Holdings Limited
Law Wing Chi, Stephen
Executive Director

Hong Kong, 12 June 2018

As at the date of this announcement, the Board comprises Dr. Li Zhiqiang, Mr. Xue Jian and Mr. Law Wing Chi, Stephen (all being executive Directors) and Mr. Tam Sun Wing, Mr. Ng Ge Bun and Mr. He Yi (all being independent non-executive Directors).