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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)

UPDATE REGARDING AN ASSOCIATE OF THE GROUP

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Kai Yuan Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 19 January 2023, 4 August 2023, 7 September 2023 and 5 January 2024 in relation to, among other matters, the assets pledged to the Group by an associate of the Company (the “**Pledge Associate**”) as security for the Loan, as well as the application for liquidation restructuring (破產重整) of the Pledge Associate. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those used in the aforesaid announcements.

The Group would like to update its shareholders and investors that it had been informed that the People’s Court of Leling City, Shandong, the PRC (山東省樂陵市人民法院) has (i) granted an order approving commencement of the pre-reorganisation procedures (預重整程序) of the Pledge Associate; and (ii) granted an order appointing the liquidation team (清算組) of the Pledge Associate as the provisional administrator (臨時管理人) of the said pre-reorganisation. The Company is currently seeking legal advice as to the appropriate legal actions to be taken in order to safeguard the interests of the Company and its shareholders.

The Company will keep its shareholders and investors informed of any material development, and will publish relevant announcements as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 22 March 2024

As at the date of this announcement, the Board comprises Mr. Xue Jian and Mr. Law Wing Chi, Stephen (both being executive directors) and Mr. Tam Sun Wing, Mr. Ng Ge Bun, Mr. He Yi and Ms. Kwok Pui Ha (all being independent non-executive directors).