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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 POSSIBLE ENFORCEMENT ON ASSETS PLEDGED TO THE GROUP

The 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 (i) the announcement of the Company dated 19 January 2023; (ii) the annual report of the Company for the year ended 31 December 2022 published in April 2023; and (iii) the announcement of the Company dated 4 August 2023, all in relation to the possible enforcement on assets pledged to the Group (the “**Enforcement**”). As set out in the aforesaid publications, on 19 January 2023, the Group had made an application to the People’s Court of Leling City, Shandong, the PRC (山東省樂陵市人民法院, the “**Court**”) to apply for the Enforcement which in turn related to the RMB180 million loan (the “**Loan**”) extended by the Group to its associate. On 20 February 2023, the Court of Leling City accepted this case for hearing. The Group had thereafter been waiting for reply from the Court regarding the date of hearing.

On 6 September 2023, the Group received a judgment from the Court dismissing the Group's Enforcement application. The Group is currently seeking advice from its legal advisers and will consider taking further actions regarding the same.

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, 7 September 2023

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).