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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)**

### **INSIDE INFORMATION: SETTLEMENT ARRANGEMENT WITH CONVERTIBLE BOND ISSUER**

The announcement is made by the board of directors of Kai Yuan Holdings Limited (the “**Company**”) 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 2 November 2020 in relation to the subscription of the Convertible Bonds issued by Zhonghua Gas, and the announcement of the Company dated 24 November 2023 in relation to the default in payment of the Convertible Bonds upon maturity by Zhonghua Gas. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those used in the aforesaid announcements.

As at the date of this announcement, Zhonghua Gas is indebted to the Subscriber the outstanding principal amount of the Convertible Bonds in the amount of HK\$77,800,000 together with interest accrued but unpaid thereunder.

The Company would like to inform its shareholders and investors that on 20 May 2024, the Subscriber (a wholly-owned subsidiary of the Company) and Zhonghua Gas entered into a settlement agreement (the “**Settlement Agreement**”), pursuant to which (i) the outstanding principal amount of the Convertible Bonds shall be repaid in instalments by 20 December 2024; and (ii) interest accrued or to be accrued under the Convertible Bonds shall be repaid on 20 December 2024. Mr. Hu Yishi and Mr. Song Zhi Cheng, both being substantial shareholders of Zhonghua Gas, have each provided a guarantee in favour of the Subscriber to guarantee part of Zhonghua Gas’ payment obligations under the Settlement Agreement.

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

Hong Kong, 20 May 2024

*As at the date of this announcement, the board of directors of the Company 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).*