

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **KAI YUAN HOLDINGS LIMITED**

**開源控股有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1215)**

### **POSITIVE PROFIT ALERT**

This announcement is made by Kai Yuan Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) 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 the shareholders of the Company (the “**Shareholders**”) and the potential investors that based on its preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2009, it is expected that the Group would record a significant increase in the consolidated profit and profit attributable to shareholders of the Company for the year ended 31 December 2009, as compared to an audited consolidated profit of approximately HK\$6.054 million and a loss attributable to shareholders of the Company of approximately HK\$15.755 million for the six months ended 31 December 2008. The expected increase is mainly attributable to i) seven months’ contribution in share of profit from the Group’s associates engaged in steel and steel product manufacturing subsequent to the completion of the acquisition of Fame Risen Development Limited on 29 May 2009; and ii) a significant discount on acquisition of Fame Risen Development Limited, which are generally in line with the factors disclosed in the announcement of the Company dated 28 August 2009 and the Interim Report of the Company for the six months ended 30 June 2009.

This positive profit alert announcement is based only on the Company's preliminary assessment of its unaudited consolidated management accounts for the year ended 31 December 2009, which are still subject to final review by the Company's auditors and the Board of Directors. Shareholders of the Company and potential investors should note that the Group's consolidated results for the year ended 31 December 2009 will be announced on 1 April 2010. Shareholders and potential investors are advised to read the final results announcement of the Group when it is published.

***Shareholders and potential investors should exercise due care in their dealing in the shares of the Company.***

By order of the Board  
**Kai Yuan Holdings Limited**  
**Yip Kar Hang, Raymond**  
*Executive Director and Chief Executive Officer*

Hong Kong, 29 March 2010

*As at the date of this announcement, the Board comprises Mr. Hu Yishi, Mr. Yip Kar Hang, Raymond and Ms. Kwong Wai Man, Karina (all being executive directors), Mr. Hu Jin Xing and Mr. Xue Jian (both being non-executive directors) and Mr. Tam Sun Wing, Mr. Ko Ming Tung, Edward and Mr. Ng Ge Bun (all being independent non-executive directors).*