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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)**

### **VOTING RESULT OF SPECIAL GENERAL MEETING AND LAPSE OF CAPITAL REORGANISATION**

The Board announces that the special resolution approving the Capital Reorganisation as set out in the notice of the SGM was not passed by the Shareholders at the SGM held on 22 July 2009 by way of poll.

As the Resolution was not approved by the Shareholders at the SGM, such being one of the conditions of the Capital Reorganisation, the Capital Reorganisation will not become effective.

Reference is made to the announcement of the Company dated 15 June 2009 and the circular of the Company dated 29 June 2009 (the “**Circular**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

The Board announces that the special resolution (the “**Resolution**”) as set out in the notice of SGM to approve the Capital Reorganisation was not passed by the Shareholders at the SGM held on 22 July 2009 by way of poll.

As at the date of the SGM, a total of 9,137,333,140 Shares were in issue. To the best knowledge of the Directors, no Shareholder had a material interest in the Capital Reorganisation different to that of any other Shareholders and accordingly, no Shareholder was required to abstain from voting on the Resolution at the SGM. Therefore, the total number of Shares entitling the Shareholders to attend and vote for or against the Resolution at the SGM was 9,137,333,140 Shares. No Shareholder was entitled to attend and vote only against the Resolution at the SGM.

The branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, was appointed as the scrutineer for the purpose of the vote-taking at the SGM.

The poll result of the SGM was as follows:

	<b>No. of Shares (percentage of total number of Shares voted)</b>	
	<b>For</b>	<b>Against</b>
The Resolution	22,740,000 Shares (1.19%)	1,885,520,000 Shares (98.81%)

As the Resolution was not approved by the Shareholders at the SGM, such being one of the conditions of the Capital Reorganisation, the Capital Reorganisation will not become effective. As a result, the Company's authorised share capital would remain unchanged, comprising HK\$2,000,000,000 divided into 20,000,000,000 Shares of HK\$0.10 each, and the issued share capital of the Company would remain at HK\$913,733,314 divided into 9,137,333,140 Shares of HK\$0.10 each. Shareholders should note that the relevant timetable and trading arrangements on the Existing Shares and Consolidated Shares as set out in the Circular will not come into effect.

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

Hong Kong, 22 July 2009

*As at the date of this announcement, the Board consists of 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), Mr. Tam Sun Wing, Mr. Ko Ming Tung, Edward and Mr. Ng Ge Bun (all being independent non-executive Directors).*