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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)

PROFIT WARNING

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

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group and information currently available to the Company, the Group is expected to record a loss attributable to owners of the Company of not less than approximately HK$99.96 million for the six months ending 30 June 2025 (the "**Interim Period**") as compared to profit of approximately HK$7.93 million recorded for the six months ended 30 June 2024. The turnaround from profit to loss for the Interim Period is mainly attributable to (i) the gross loss of approximately HK$10.14 million recorded from the hotel operation segment due to the decrease in revenue contributed by the Paris Marriott Hotel Champs-Elysees, as the hotel was partially closed for renovation; (ii) the recording of a provision of impairment on the loan to an associate of approximately HK$63.66 million due to an increase in the outstanding amount relating to the construction-in-progress of the associate's assets that have been pledged to the Group, as well as the reorganisation of such associate; (iii) the increase in finance costs during the Interim Period due to an increase in interest rate of the EUR175 million bank loan that was renewed during 2024; and (iv) the decrease in other income and gains due to the reduction in bank deposit interest rate.

The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 as well as information currently available. The same has not been reviewed by the audit committee of the Company or reviewed by the Company's auditors.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 15 August 2025

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).