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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 approximately HK$127.5 million for the year ended 31 December 2025 (the "**Year**"), as compared to the profit attributable to owners of the Company of approximately HK$35.8 million for the year ended 31 December 2024.

The expected turnaround from profit to loss for the Year is mainly attributable to (i) the decrease in the Group's revenue and gross profit contributed by the Paris Marriott Hotel Champs-Elysees ("**Hotel**") to approximately HK$192.0 million and HK$7.1 million respectively (2024: approximately HK$323.5 million and approximately HK$86.7 million respectively), due to partial closure of the Hotel for renovation during the Year; (ii) provision for impairment of the loan to an associate of approximately HK$63.9 million was recognised 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 (2024: nil); and (iii) the increase in finance costs (net of amortisation of fair value of the cash flow hedges) on the EUR175.0 million bank loan that was renewed in 2024 to approximately HK$77.7 million (2024: approximately HK$48.9 million).

The information contained in this announcement is subject to finalization and review by the Company's auditors. The full final results of the Group for the Year are expected to be released by the end of March 2026. Shareholders and potential investors are advised to read the final results announcement and annual report of the Company when it is published.

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, 10 March 2026

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).