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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 ALERT – REDUCTION IN LOSS

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 the loss attributable to owners of the Company of approximately HK$2.6 million for the six months ending 30 June 2026 (the "**Interim Period**") as compared to the loss of approximately HK$100.0 million recorded for the six months ended 30 June 2025 (the "**Preceding Period**"). The reduction in the expected loss for the Interim Period is mainly attributable to (i) the increase in revenue and gross profit contributed by the Paris Marriott Hotel Champs-Elysees, which was fully opened to guests after renovation, to approximately HK$176.7 million and HK$44.2 million respectively for the Interim Period (Preceding Period: revenue of approximately HK$74.7 million and gross loss of approximately HK$10.1 million); and (ii) the absence of provision for impairment on the loan to an associate during the Interim Period (Preceding Period: approximately HK$63.7 million); partially offset by, among other things, the provision of income tax of approximately HK$3.6 million (Preceding Period: income tax credit of HK$13.1 million).

The information contained in this announcement is based solely on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 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, 18 August 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).