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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)

BUSINESS UPDATE AND 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).

BUSINESS UPDATE

Reference is made to the announcement of the Company dated 1 December 2021 in relation to the partial closure of the Paris Marriott Hotel Champs-Elysees (“**Paris Marriott Hotel**”) for renovation (the “**Renovation**”). The Renovation was commenced on 3 January 2022 and was originally planned to be completed by 8 June 2022. As of the date of this announcement, the Renovation remained on-going primarily due to the shortage of skilled labour in France. It is currently expected that the Renovation is to be completed by late August 2022.

PROFIT WARNING

The board of directors (the “**Board**”) of the Company also 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\$20.0 million for the six months ending 30 June 2022 (the “**Interim Period**”) as compared to loss of approximately HK\$56.7 million recorded for the six months ended 30 June 2021 (the “**Preceding Period**”). The expected loss for the Interim Period is mainly attributable to the gross loss recorded by the Paris Marriott Hotel due to the partial closure of the hotel for Renovation. Whereas the expected decrease in the loss for the Interim Period as compared to that of the Preceding Period is primarily attributable to the increase in revenue from the Paris Marriott Hotel for the Interim Period in the absence of temporary closure as a result of the COVID-19 pandemic during the Preceding Period.

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 2022 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, 5 August 2022

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 and Mr. He Yi (all being independent non-executive directors).