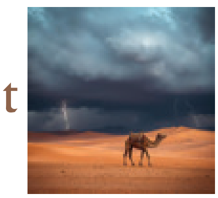
KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

Remain A Belt & Road Participant



ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the "Directors") of Kaisun Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *for identification purpose only*

The board (the "Board") of directors (the "Directors") of Kaisun Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Revenue	4	**1,112,283**	298,941
Cost of goods sold and services		**(976,713)**	(219,637)
Gross profit		**135,570**	79,304
Investment and other income	5	**3,715**	24,599
Other gains and losses	6	**(22,668)**	(23,291)
Administrative and other operating expenses		**(80,747)**	(90,764)
Profit/(loss) from operations		**35,870**	(10,152)
Finance costs	7	**(21,449)**	(21,579)
Profit/(loss) before tax		**14,421**	(31,731)
Income tax (expense)/credit	8	**(3,028)**	3,750
Profit/(loss) for the year	9	**11,393**	(27,981)
Attributable to:			
Owners of the Company		**8,878**	(31,890)
Non-controlling interests		**2,515**	3,909
		11,393	(27,981)
Earnings/(loss) per share (cents)			
Basic	11	**1.53**	(5.51)
Diluted	11	**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Profit/(loss) for the year		**11,393**	(27,981)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")		—	(900)
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**1,836**	(2,956)
Other comprehensive income for the year, net of tax		**1,836**	(3,856)
Total comprehensive income for the year		**13,229**	(31,837)
Attributable to:			
Owners of the Company		**11,621**	(35,332)
Non-controlling interests		**1,608**	3,495
		13,229	(31,837)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	**2024**	2023
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**83,643**	43,012
Right-of-use assets		**162**	10,636
Intangible assets		**242,391**	260,845
Financial assets at FVTOCI		**—**	—
Deferred tax assets		**9,236**	8,522
Deposits paid for acquisition of property, plant and equipment		**8,016**	—
		343,448	323,015
Current assets			
Inventories		**5,869**	3,783
Financial assets at fair value through profit or loss ("FVTPL")		**11,399**	14,601
Trade and bills receivables	12	**76,188**	74,157
Deposits, prepayments and other receivables		**208,696**	75,502
Deposits in a licensed corporation		**24,619**	25,182
Bank and cash balances		**70,776**	9,907
		397,547	203,132
Current liabilities			
Trade payables	13	**13,638**	11,255
Other payables and accruals		**433,841**	279,049
Contract liabilities		**128,950**	53,996
Bonds payable		**46,800**	46,800
Other financial liabilities		**15,671**	30,337
Lease liabilities		**125**	186
Current tax liabilities		**8,027**	2,127
		647,052	423,750
Net current liabilities		**(249,505)**	(220,618)
Total assets less current liabilities		**93,943**	102,397

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2024

	Note	**2024** **HK$'000**	2023 *HK$'000*
Non-current liabilities			
Other financial liabilities		**—**	11,726
Other payables and accruals		**92,750**	99,439
Lease liabilities		**31**	156
Deferred tax liabilities		**19,111**	22,254
		111,892	133,575
NET LIABILITIES		**(17,949)**	(31,178)
Capital and reserves			
Share capital		**58,342**	58,342
Reserves		**(97,337)**	(108,958)
Equity attributable to owners of the Company		**(38,995)**	(50,616)
Non-controlling interests		**21,046**	19,438
CAPITAL DEFICIENCY		**(17,949)**	(31,178)

NOTES

1. GENERAL INFORMATION

Kaisun Holdings Limited (the "Company") was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 1304, 13/F., Car Po Commercial Building, 18–20 Lyndhurst Terrace, Central, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group is principally engaged in coal mining business, consulting and media services business and corporate and investment business.

2. BASIS OF PREPARATION AND GOING CONCERN

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board (the "IASB"). IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

Going concern basis

As at 31 December 2024, the Group had net current liabilities and net liabilities of approximately HK$249,505,000 and HK$17,949,000 respectively.

As disclosed in the consolidated financial statements, the Group had defaulted in repayment of its bonds payable with a principal amount of HK$46,800,000 and the accrued interest of approximately HK$11,750,000 as at 31 December 2024.

These events or conditions indicate the existence of a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance to continue as going concern. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering the next twelve months from 31 December 2024 prepared by the management of the Company; and after taking into consideration the following:

(i) having regard to the continued growth of the normal business activities of the Group including the business of fire extinguishing works in Xinjiang mine, the directors believe that the Group will be able to generate sufficient cash flows from operations; and

(ii) the expected positive results of the ongoing negotiations with the Group's creditors on the extension of repayment of debts, including but not limited to the bond payables of HK$46,800,000 and the accrued interest of approximately HK$11,750,000 as disclosed in the consolidated financial statements.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

(a) Application of new and revised IFRS Accounting Standards

The Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 ("HK Int 5") (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Adoption of Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to IAS 1 "Non-current Liabilities with Covenants" (collectively the "IAS 1 Amendments")

As a result of the adoption of the IAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting IAS 1 Amendments.

Except for the above, other amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Revised IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the new and amendments to IFRS Accounting Standards mentioned below.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

4. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines for the year is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
Sales of goods:		
— Production and sales of coal	**1,001,765**	79,175
— Provision of supply chain management services for mineral business	**72,045**	165,539
— Mining and metallurgical machineries products	**18,807**	31,765
	1,092,617	276,479
Provision of services:		
— Logistics services for mineral business	**8,412**	12,928
— Trust and trustee services	**2,215**	2,709
— Event management services	**5,040**	3,493
— Operating of railway logistic platform	**3,151**	2,576
— Others	**848**	756
	1,112,283	298,941

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended 31 December	Production and sales of coal		Provision of supply chain management services for mineral business		Mining and metallurgical machineries products		Logistics services for mineral business		Trust and trustee services		Event management services		Operating of railway logistic platform		Others		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Primary geographical markets																		
— Hong Kong	**—**	—	**—**	—	**—**	—	**—**	—	**2,215**	2,709	**5,040**	3,493	**—**	—	**595**	533	**7,850**	6,735
— PRC except Hong Kong	**1,001,765**	79,175	**72,045**	165,539	**18,807**	30,505	**8,412**	12,928	**—**	—	**—**	—	**—**	—	**—**	—	**1,101,029**	288,147
— Vietnam	**—**	—	**—**	—	**—**	1,260	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	1,260
— Others	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**3,151**	2,576	**253**	223	**3,404**	2,799
Revenue from external customers	**1,001,765**	79,175	**72,045**	165,539	**18,807**	31,765	**8,412**	12,928	**2,215**	2,709	**5,040**	3,493	**3,151**	2,576	**848**	756	**1,112,283**	298,941
Timing of revenue recognition																		
Products transferred at a point in time	**1,001,765**	79,175	**72,045**	165,539	**18,807**	31,765	**8,412**	12,928	**1,851**	2,345	**1,824**	3,063	**—**	—	**475**	162	**1,105,179**	294,977
Products and services transferred over time	**—**	—	**—**	—	**—**	—	**—**	—	**364**	364	**3,216**	430	**3,151**	2,576	**373**	594	**7,104**	3,964
Total	**1,001,765**	79,175	**72,045**	165,539	**18,807**	31,765	**8,412**	12,928	**2,215**	2,709	**5,040**	3,493	**3,151**	2,576	**848**	756	**1,112,283**	298,941

5. INVESTMENT AND OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Interest income on bank deposits	**797**	207
Dividend income from equity investments	**400**	252
Government grants *(note a)*	**239**	604
Rental income	**963**	465
Service income for coal fire extinguishment works	**—**	22,787
Sundry income	**1,316**	284
	3,715	24,599

Note a: During the year, the Group received various subsidies received from the PRC government which amounted to HK$239,000 (equivalent to approximately RMB220,000) (2023: HK$604,000 (equivalent to approximately RMB546,000)) respectively.

6. OTHER GAINS AND LOSSES

	2024	2023
	HK$'000	*HK$'000*
Fair value loss on financial assets at FVTPL	**(4,327)**	(1,279)
Fair value gain/(loss) on financial liabilities at FVTPL	**26,392**	(6,469)
Net foreign exchange (loss)/gains	**(381)**	252
Impairment loss on trade and other receivables	**(21,548)**	(5,982)
Impairment loss on right-of-use assets	**(9,767)**	(286)
Impairment loss on financial assets at FVTOCI	**—**	(9,500)
Loss on disposal of property, plant and equipment	**(1)**	(27)
Impairment loss on property, plant and equipment	**(13,036)**	—
	(22,668)	(23,291)

7. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interests on bonds payable	**4,680**	5,070
Interest expenses on lease liabilities	**34**	45
Interests on bank and other borrowings	**4,321**	3,441
Imputed interest expenses on payables for mining rights	**12,414**	13,023
	21,449	21,579

8. INCOME TAX EXPENSE/(CREDIT)

	2024	2023
	HK$'000	*HK$'000*
Current tax — Hong Kong		
Provision for the year	**8**	1
Over-provision in prior years	**(1,464)**	(810)
	(1,456)	(809)
Current tax — PRC		
Provision for the year	**7,347**	—
Under-provision in prior years	**—**	31
	5,891	(778)
Current tax — Mongolia		
Provision for the year	**316**	261
	6,207	(517)
Deferred tax	**(3,179)**	(3,233)
	3,028	(3,750)

Hong Kong and Mongolia Profits Tax is calculated at 16.5% and 10% respectively on the estimated assessable profit for both years.

Under the Law of the PRC Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, has been provided at a rate of 25% for both years.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

9. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging/(crediting) the following:

	2024	2023
	HK$'000	*HK$'000*
Auditor's remuneration		
— Audit services	**2,900**	2,900
Cost of inventories sold	**849,654**	205,006
Depreciation on property, plant and equipment	**3,826**	3,297
Amortisation of intangible assets (included in administrative and other operating expenses)	**10,111**	10,287
Loss on disposal of property, plant and equipment	**1**	27
Fair value loss on financial assets at FVTPL	**4,327**	1,279
Fair value (gain)/loss on financial liabilities at FVTPL	**(26,392)**	6,469
Impairment loss on trade and other receivables	**21,548**	5,982
Impairment loss on financial assets at FVTOCI	**—**	9,500
Impairment losses on property, plant and equipment	**13,036**	—
Impairment losses on right-of-use assets	**9,767**	286
Net exchange loss/(gain)	**381**	(252)

10. DIVIDEND

No dividend has been paid or declared by the Company for the years ended 31 December 2024 and 2023.

11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following:

	2024	2023
	HK$'000	*HK$'000*
Profit/(loss) for the purpose of calculating basic earnings/(loss) per share	**8,878**	(31,890)

	2024	2023
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**578,724,208**	578,724,208

No diluted earnings/(loss) per share is presented as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2023 and 2024.

12. TRADE AND BILLS RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**123,996**	118,438
Allowance for doubtful debts	**(52,435)**	(44,281)
	71,561	74,157
Bills receivables	**4,627**	—
	76,188	74,157

The credit terms of trade receivables are in accordance with specific payment schedules agreed with various customers.

An ageing analysis of trade and bills receivables, based on the invoice date is as follows:

	2024	2023
	HK$'000	*HK$'000*
0–30 days	**20,670**	44,304
31–60 days	**2,510**	9,779
61–90 days	**331**	2,842
91–365 days	**58,340**	21,704
Over 1 year	**42,145**	39,809
	123,996	118,438

13. TRADE PAYABLES

An ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	2024	2023
	HK$'000	*HK$'000*
0–30 days	**6,023**	2,309
31–60 days	**873**	1,494
61–90 days	**853**	2,159
91–180 days	**5,380**	4,519
181–365 days	**—**	771
Over 365 days	**509**	3
	13,638	11,255

The carrying amounts of the Group's trade payables are denominated in RMB.

14. SEGMENT INFORMATION

IFRS 8 requires segmental disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purpose of assessing segmental performance and making decisions about operating matters.

The Group has three reportable segments namely coal mining business segment, consulting and media service business segment and corporate and investment business segment.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in the consolidated financial statements.

Information about operating segment profit or loss, assets and liabilities:

	Coal mining business segment *HK$'000*	**Consulting and media service business segment** *HK$'000*	**Corporate and investment business segment** *HK$'000*	**Total** *HK$'000*
Year ended 31 December 2024				
Revenue from external customers	**1,104,180**	**8,090**	**13**	**1,112,283**
Segment profit/(loss)	**8,155**	**(1,428)**	**4,666**	**11,393**
Interest revenue	**179**	**2**	**616**	**797**
Interest expenses	**16,744**	**24**	**4,681**	**21,449**
Depreciation and amortisation	**14,513**	**1**	**—**	**14,514**
Income tax expense/(credit)	**5,198**	**8**	**(2,178)**	**3,028**
Other material items of income and expense:				
Staff costs	**19,641**	**2,044**	**9,124**	**30,809**
Other material non-cash items:				
Impairment loss on trade and other receivables	**21,387**	**135**	**26**	**21,548**
Impairment loss on property, plant and equipment	**13,036**	**—**	**—**	**13,036**
Impairment loss on right-of-use assets	**9,767**	**—**	**—**	**9,767**
Additions to segment non-current assets	**67,232**	**—**	**—**	**67,232**
As at 31 December 2024				
Segment assets	**691,801**	**2,518**	**46,676**	**740,995**
Segment liabilities	**598,206**	**2,785**	**157,953**	**758,944**

	Coal mining business segment *HK$'000*	Consulting and media service business segment *HK$'000*	Corporate and investment business segment *HK$'000*	Total *HK$'000*
Year ended 31 December 2023				
Revenue from external customers	291,983	6,838	120	298,941
Segment (loss)/profit	11,598	(322)	(39,257)	(27,981)
Interest revenue	6	2	199	207
Interest expenses	16,488	20	5,071	21,579
Depreciation and amortisation	14,721	76	1	14,798
Income tax (credit)/expense	(3,540)	1	(211)	(3,750)
Other material items of income and expense:				
Staff costs	11,876	2,259	9,031	23,166
Other material non-cash items:				
Impairment loss on financial assets at FVTOCI	—	—	9,500	9,500
Impairment loss/(reversal of impairment loss) on trade and other receivables	5,958	31	(7)	5,982
Additions to segment non-current assets	8,524	—	—	8,524
As at 31 December 2023				
Segment assets	473,808	3,235	49,090	526,133
Segment liabilities	379,999	3,235	169,043	552,277

Reconciliations of segment assets and liabilities:

	2024 ***HK$'000***	2023 *HK$'000*
Assets		
Total assets of reportable segments	**740,995**	526,133
Assets relating to discontinued operations	**—**	14
Consolidated total assets	**740,995**	526,147
Liabilities		
Total liabilities of reportable segments	**758,944**	552,277
Liabilities relating to discontinued operations	**—**	5,048
Consolidated total liabilities	**758,944**	557,325

Geographical information:

The Group's information about its non-current assets (excluding financial assets at FVTOCI and deferred tax assets) by location of assets are detailed below:

Non-current assets

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**1**	3
Mongolia	**17,816**	19,473
PRC except Hong Kong	**316,395**	295,017
Consolidated total	**334,212**	314,493

Revenue from major customers:

	2024	2023
	HK$'000	*HK$'000*
Coal mining business segment		
Customer a *(note ii)*	**175,188**	N/A
Customer b *(note i)*	**N/A**	79,801
Customer c *(note i)*	**N/A**	59,937
Customer d *(note i)*	**N/A**	29,227
Customer e	**150,549**	29,002
Customer f *(note ii)*	**142,470**	N/A

(i) Customers b and customer c and customer d did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2024.

(ii) Customers a and customer f did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2023.

INTERIM CHAIRMAN'S STATEMENT

2024 is a year of suffering. From the social movement erupted in Hong Kong in 2019 to the three-and-a-half-year border closure caused by the COVID-19 epidemic starting in 2020, the management team of Kaisun Holdings Limited (Company) embarked on an extraordinary tough journey in remote Xinjiang.

On 10 December 2024, the Hong Kong Stock Exchange (HKEX) imposed a "Prejudice to Investors' Interests" Statement (PII Statement) and issued a censure against the only two Executive Directors of the Company for failing to comply with the announcement requirements under Chapter 19 of the GEM Rules in 2018. Additionally, our Independent Non-Executive Directors (INEDs) except Mr. Wu Zheng who joined after the breach, also faced censure. Following the issuance of the PII Statement, our INEDs all decided to resign, which was their only option, citing the increasingly difficult environment of managing issues unrelated to the Company's actual business operations. The consistent and excessive overseeing has created an environment that is challenging for any INEDs to operate in with confidence, ultimately leading to their decision to step down.

Recognizing the Company's obligation to issue audited financial statements to shareholders and the public, which requires approval and signatures from two Executive Directors, Mr. Yang Yong Cheng and I have decided to remain as Directors to fulfill this fiduciary duty.

At present, the Company is operating under immense pressure due to its significant debt level, which totals HKD759 million and has defaulted in repayment of its bonds payable with a principal amount of HK$46,800,000. As the bond clause requires me to remain as Director and Chairman during its lifetime, given the current state of the Company, we need to negotiate with the creditors on removing this condition as well as expedite repayment. The situation has made it exceedingly difficult to identify suitable candidates for Executive Directors, Non-Executive Directors, or INED roles and resigned INEDs warned the two Executive Directors to be responsible to shareholders and other stakeholders and to resolve the aforesaid issues accordingly before their departure. This challenge is further compounded by the need to comply with new listing rules, which emphasize diversity in Board appointments. In this regard, we have actively reached out to potential female Directors, as well as other qualified candidates, to replace the Directors who have left and perhaps an Executive Director(s) to replace me and Mr. Yang Yong Cheng. However, the feedback we have received indicates that many find the task daunting or feel unprepared to take on the role, given the unique challenges our Company faces, some however apply purely to ask for a living.

Additionally, we have observed that the relationships and trust that I and our team have established with creditors, local governments and counterparties in Hong Kong and mainland China over the years are not easily transferable. This makes it difficult for any new appointees to seamlessly step into these roles and maintain the same level of confidence with our stakeholders. Nonetheless, we remain committed to identifying and recruiting Directors Executive or Independent who can bring both capability and diversity to the Board. While we acknowledge the global trend of prioritizing diversity, equity, and inclusion (DEI) initiatives, we also note that many western companies are now shifting toward hiring based on capability rather than diversity alone. We believe this is the correct approach, especially given the nature of our business — mining, which is inherently demanding and traditionally less women-friendly. However, given this diversity is regulated by the listing rules, appropriate or not we are not abandoning the search of female directors.

Since 2018, the Board, senior executives from Hong Kong, and local staff in mainland China have been facing intense challenges, including navigating complex local requirements such as prepayment of taxes under executive orders, addressing environmental concerns, maintaining stability, supporting various local livelihoods, managing accusations from various parties, responding to shareholder inquiries, and handling regulatory scrutiny. These challenges have placed us in a continuous state of difficulty. But nevertheless, we have to live with it if we want to safeguard the interest of our shareholders.

In Xinjiang, where our key mining operations are based, we face significant challenges that continue to impact our profitability and competitiveness. One of the most pressing issues is the presence of unlicensed coal operators who act as direct competitors. These operators work outside the bounds of legal and environmental regulations, cutting corners on safety measures, environmental compliance, and licensing requirements. As a result, they can flood the market with cheap coal, driving down market prices and creating an uneven playing field.

For law-abiding companies like ours, this situation is particularly challenging. While we adhere strictly to all licensing requirements, invest in safety protocols, and comply with environmental and ESG standards, the unlicensed operators avoid these costs entirely. Consequently, they enjoy significantly higher profit margins, allowing them to undercut us in the market. This dynamic not only erodes our profitability but also undermines the overall stability and fairness of the market.

Adding to this, the local government in Xinjiang, understandably prioritizing livelihood issues, enforces tax collection on licensed operators like us while turning a blind eye to the activities of unlicensed competitors. This means that we bear the full burden of compliance costs and taxation, which are obligations that every coal miner in the region should technically be subject to. However, these unlicensed operators largely escape scrutiny, leaving companies like ours to shoulder all of the responsibilities while receiving none of the benefits of a fair and regulated market.

In effect, we are being pressured from both sides: on one hand, by unregulated competitors who distort the market with their low costs, and on the other, by local authorities who enforce tax and regulatory compliance only on law-abiding companies. This double burden significantly impacts our ability to achieve healthy profit margins despite strong coal sales.

We believe that addressing this issue requires better enforcement of licensing and regulatory standards across the region. A level playing field where all operators are held to the same legal, safety, and environmental standards would not only benefit compliant companies like ours but also improve the overall sustainability and fairness of the coal mining industry in Xinjiang. Until such changes occur, we remain committed to upholding our principles of compliance and responsible business practices, even in the face of these considerable challenges.

Another significant issue facing the Company, as well as many non-PRC-incorporated firms, is the challenge of repatriating funds from mainland China to support administrative costs at our Hong Kong headquarters. This process has become increasingly burdensome, costly, and fraught with regulatory risks. Such regulatory risk is however not appreciated by both mainland and HKSAR administration and regulatory bodies. Despite these difficulties, we remain committed to our mission and look forward to improvements under the leadership of Chinese President Xi Jinping, particularly in his approach to supporting private enterprises both locally and offshore, including in Hong Kong.

Through the collective efforts of our team, we have been able to weather these challenges and continue to survive in an increasingly difficult environment. We have the asset, we have the manpower, and we have the determination to persevere. It is predicable that at least in our industry China's growth will remain at its slowest pace in the coming years and to survive will be a victory for the year of 2025, hence Kaisun team is preparing to sustain with more cost cutting measures and consolidation of business to survive in the face of internal and external troubles. Our commitment to doing business the right way, alongside the dedication of our employees and stakeholders, provides a solid foundation for the future.

The current board consists of Mr. Yang Yong Cheng and myself fully understand the company is still in breach of various listing rules of not able to have an audit committee, a nomination committee, a remuneration committee, without a diverse board and this chaos Mr. Yang Yong Cheng and myself need to apologize.

In addition to the reasons already mentioned, it is important to emphasize that the decision for Mr. Yang Yong Cheng and myself to remain as Interim Directors at this time is driven by the urgent need to stabilize the Company and address key internal challenges before capable and suitable director would even consider joining the Board. The Company is currently at a critical juncture, and we believe that before new Directors can reasonably be expected to step into their roles, it is our responsibility to undertake the following actions:

1. Restructuring and Streamlining Operations: We are actively working to structurally close or sell unprofitable subsidiaries and those that no longer align with the Company's core business strategy. This is a necessary step to streamline operations, reduce financial burdens, and focus our resources on areas with the highest potential for growth and profitability.

2. Debt Reduction: One of the most pressing issues that must be resolved is the Company's significant debt burden. We are fully committed to negotiating with creditors to reduce the Company's debt to more manageable levels, including the defaulted bonds payable. Until this is achieved, it will remain exceedingly difficult to attract qualified candidates who are willing to assume leadership roles in the Company.

The enforcement of HKEX has imposed the PII Statement on two of us hence we aim to address these fundamental issues and stabilizing the Group, and to create an environment that is not only more appealing to potential Directors but also better positioned for sustainable growth in a shortest run.

As now the interim Director and Chairman of the Company, again I deeply apologize to our shareholders and stakeholders for the chaos and challenges we have faced. I and Mr. Yang Yong Cheng remain committed to stabilizing the Company and identifying capable Directors to lead the Company forward in the very near term. But if needed due to regulatory requirement not giving us time we shall step down immediately.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, the global economic environment will continue to face significant challenges, primarily influenced by ongoing geopolitical tensions, inflationary pressures and the rising interest rates of central banks in various countries. While the economies of some developed countries have shown signs of recovery, the overall growth remains sluggish, and many companies are struggling in the face of high operational costs.

The domestic economic situation is of particular concern. Affected by a variety of internal and external factors, China's economic growth has slowed and the downward pressure on the economy is evident. Problems such as the continued sluggishness of the property market, increasing pressure on local debt, weak consumption and reduced exports have resulted in insufficient momentum for the overall economic recovery. At the same time, market confidence remains fragile and the propensity of companies and individuals to invest has declined significantly, posing varying degrees of challenge to the Group's various businesses.

In the context of China's energy sector, while traditional coal-producing provinces such as Inner Mongolia and Shanxi are facing the challenge of resource depletion, Xinjiang is undergoing a significant transformation, redefining China's energy landscape. With an annual capacity growth rate of approximately 15%, Xinjiang is poised to make a substantial impact on the country's energy production. By 2024, Xinjiang's annual coal production is projected to surpass 500 million tons, representing a substantial increase from 7.3% in 2020 to 11% of the country's total output. However, in the context of a shifting coal supply and demand relationship, declining coal prices and weak demand, pressure on the financial performance of most coal companies is inevitable. This includes the Group's mining industry in Turpan City, Xinjiang Uyghur Autonomous Region, which is also facing similar challenges. Despite the Group's impressive coal sales figures for 2024, gross profit was relatively low, primarily due to market involution, which has now spread to all industries. This has led to intense competition, which has distorted market dynamics, resulting in costs and profits becoming unpredictable. This has also led to peers having to exert more effort in competing for limited resources.

The Kaisun Business Solution ("KBS") division in Hong Kong is also facing significant challenges in maintaining its competitive edge. It should be noted that in such a competitive economic environment, the Group's clients are also under immense pressure to demand a higher quality of service from us. At the same time, the squeeze on margins by our clients is becoming more pronounced, further squeezing the profit margins of the division. Despite this, the KBS division has managed to maintain its relationships with existing clients in 2024, which is a relatively positive sign for us, but also means that we will need to invest more resources in client retention and service quality in the future.

Overall, 2024 proved to be a challenging year. Thanks to the joint efforts of all employees, the Group maintained stable development under severe testing. As we look ahead to 2025, it is important to acknowledge the potential for greater challenges in China due to a number of factors, including the complex and everchanging global economic environment. The outlook is not optimistic. The Group will continue to strive to find breakthroughs in business growth and formulate more flexible strategies for different businesses to cope with the uncertainty of the external environment.

KAISUN ENERGY GROUP

Production and supply chain management of mineral resources, mining and metallurgical machinery

1. Shandong — Production of mining and metallurgical machinery

Tengzhou Kaiyuan Industrial Co., Ltd. ("Tengzhou Kaiyuan"), a joint venture of the Group's subsidiaries, specialises in mining and metallurgical machinery production. It owns 50 mining product safety mark certificates and obtained the European standard certificate in the first quarter of 2023. Its major products are overhead manned cableway devices and their accessories, as well as technical consultancy services, including equipment installation, technical support, and after-sales services.

Analysis of China's Coal Equipment Demand in 2024

"Domestic coal prices have plummeted, prompting coal enterprises to scale back intelligentization investments," an industry insider from the coal sector revealed to the*Science and Technology Innovation Board Daily*. The source's company operates in the unmanned intelligent mining control segment of the coal industry. While not directly tied to routine fluctuations in coal prices, its business is significantly influenced by domestic coal industry policies and upgrades to existing coal mines. Consequently, the overall health of the coal sector critically impacts the development of this niche market.

In 2024, coal prices experienced volatile declines, with market-driven coal prices retreating sharply, placing the entire industry under pressure. According to National Bureau of Statistics data, the mining sector reported a total profit of RMB1.13 trillion in 2024, down 10.0% year-on-year, with operating revenue dropping 5.2% to RMB5.91 trillion. Operating costs fell 1.8% to RMB3.95 trillion.

The earnings downturn in 2024 reflects a widespread challenge across coal industry chain companies. As a cyclical sector, coal demand and pricing are subject to periodic fluctuations, with industry vitality vulnerable to shifts in domestic and international political and economic landscapes.

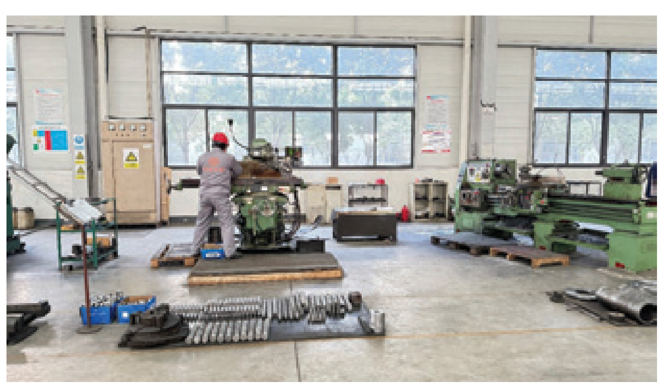
Market expectations indicate a clear supply-demand surplus pattern in the coal market. Regarding China's coal market outlook, a wait-and-see attitude prevails. Amid market uncertainties, the Group believes Tengzhou Kaiyuan Coal Machinery Equipment's business will navigate this period steadily.

(Source: https://mbd.baidu.com/newspage/data/landingshare?pageType=1&isBdboxFrom=1&context=%7B%22nid%22%3A%22news_9434664366022222643%22%2C%22sourceFrom%22%3A%22search%22%7D&urlext=%7B%22cuid%22%3A%220i-Qa_aBvignuHuN_avOag81Sig4avaOguSSa0a62i_Za28S08vei_iJQM0KfWMfhH8mA%22%7D&sid_for_share=)

Tengzhou Kaiyuan 2024 Summary

- Tengzhou Kaiyuan is accelerating the intelligent upgrading of mining machinery equipment and optimizing its product performance matrix to comprehensively enhance market competitiveness and brand value.

- By restructuring departmental frameworks, clarifying role-based accountability divisions, and revamping the employee performance evaluation system, the Company aims to strengthen cross-functional collaboration with a strategic goal to achieve sales revenue of HKD 18.81 million.



Tengzhou Kaiyuan production workshop

2. *Shandong — Supply Chain Management Services*

Shandong Kailai Energy Logistics Co., Ltd. ("Shandong Kailai") is a joint venture of a subsidiary of the Company. ("Shandong Kailai") specializes in coal supply chain management, loading and unloading, warehousing, coal blending, washing and logistics. It obtained the right from the Jinan Railway Bureau to use the dedicated railway line Yanzhou depot (Guanqiao Station). The Company has obvious location advantages since it is located at the southernmost end of the Jinan Railway Bureau and is the intersection of the Jinan Railway Bureau and Shanghai Railway Bureau. Many state-owned chemical companies are nearby, giving it a geographical advantage and no significant competitors. Shandong Kailai Logistics Centre covers an area of 110,000 square meters, including environmental protection equipment and storage centres, with an average annual loading and unloading capacity of 3 million tons.

Analysis of China's Coal Railway Transportation in 2024

China's coal and railway freight sectors have long maintained a symbiotic relationship, with nearly 60% of coal transported via railways and coal accounting for over half of total railway freight volume. According to data from the China National Coal Association, in 2023, national railway coal shipments reached 2.75 billion tons, representing 58.39% of China's total raw coal output and 54.61% of total railway freight volume.

In 2024, domestic thermal coal prices exhibited a volatile downward trajectory, declining from over RMB900 yuan/ton at the beginning of the year to below RMB800 yuan/ton during the peak consumption season by year-end. This downward trend persisted into 2025, with prices falling below RMB700 yuan/ton.

Driven by rising non-fossil energy power generation, increased coal imports, and weaker demand from construction materials and steel sectors, the coal market has remained sluggish over the past year. By early March 2025, coal prices hit a four-year low, accompanied by a significant contraction in coal transportation demand. Railway authorities, heavily reliant on coal for freight volume growth, face mounting performance evaluation pressures. The traditional "seller's market" dynamics in coal logistics have been disrupted, prompting railways to adopt flexible pricing mechanisms and integrated logistics contracting strategies to compete for limited cargo sources. Coal prices began declining broadly in October 2023, with accelerated depreciation from December 2024 to March 2025. As of March 11, the CCTD (China Coal Transport and Distribution Association) reference price for 5,500 kcal/kg thermal coal at Bohai Rim ports stood at RMB695 yuan/ton, marking a year-on-year decline of RMB221 yuan/ton (24.13%).

Railway data reveals substantial reductions in coal shipments at key bureaus compared to the market peak 2011. For instance, Taiyuan Railway Bureau—operator of major coal corridors like Daqin and Rizhao—shipped over 62 million tons of coal during the 2025 Spring Festival travel period (40 days), a 16.91% decrease from 74.62 million tons in 2021.

The 2024 coal market and railway logistics landscape experienced notable volatility, with the railway freight industry grappling with supply-demand adjustment pressures due to cyclical transportation capacity constraints. In response, Shandong Kailai Group has implemented prudent and steady operational strategies aligned with national logistics policies, informed by continuous analysis of coal industry dynamics, to mitigate risks arising from multifaceted market uncertainties.

(Source: https://www.cnenergynews.cn/news/2025/03/13/detail_20250313204183.html)

Shandong Kailai 2024 Summary

- Completed the construction of exterior walls at the West Freight Yard and commenced the development of Dust Suppression Shelter No. 4, driving advancements in environmental management. Progressed initiatives in corporate governance, environmental protection, and social responsibility (ESG) to implement the green and low-carbon enterprise transformation, aligning with sustainable development goals.

- Cumulative coal trading sales revenue for 2024 reached approximately HKD67.52 million.

Shandong Kailai Logistics Platform

3. Xinjiang — coal mining business (a wholly owned subsidiary of Shandong Kailai)

Xinjiang Turpan Xingliang Mining Co., Ltd. ("Xingliang Mining") is a wholly-owned subsidiary of Shandong Kailai, located in Qiquanhu Town, Turpan City. The mine in the Tuha Coalfield is one of the four significant coalfields in Xinjiang. Its coal types are mainly long-flame coal, suitable for power generation and chemical coal. In 2018, Xingliang Mining signed an integrity agreement with the Gaochang District Government, using Xingliang Mining as the integration body to consolidate the resources of nearby small-scale coal mines.

Xingliang Mining was approved for a prospecting license in August 2020 and a 1.2 million tons/year mining license in the fourth quarter of 2022. In addition, the fire area control and coal fire extinguishing project was approved in 2021, and a cooperation agreement was reached with the construction team on the fire area control project, launched in November 2023.

Analysis of Xinjiang Coal Mining Industry in 2024

"Since last year, the coal market has been grappling with a pronounced supply-demand imbalance, leading to persistent price declines and severe profitability erosion across coal enterprises. Currently, half of domestic coal companies are operating at a loss," stated Wu Qiang, Academician of the Chinese Academy of Engineering, Academician of the International Eurasian Academy of Sciences, Professor and Doctoral Supervisor at China University of Mining and Technology (Beijing), and Director of the National Engineering Research Center for Coal Mine Water Hazard Prevention and Control, in an exclusive interview with China Mining News. He expressed concerns over the current market dynamics and urged strategic interventions, including scientifically rationalising coal production capacity, optimizing supply structures, and refining coal pricing mechanisms, to mitigate extreme market volatility and prevent disruptive "boom-bust cycles."

Since the second half of 2024, the coal market's oversupply has become an indisputable reality. Yet, this trend continues to deteriorate, underscored by persistently high inventory levels that remain on an upward trajectory and coal prices in freefall with no clear bottom in sight.

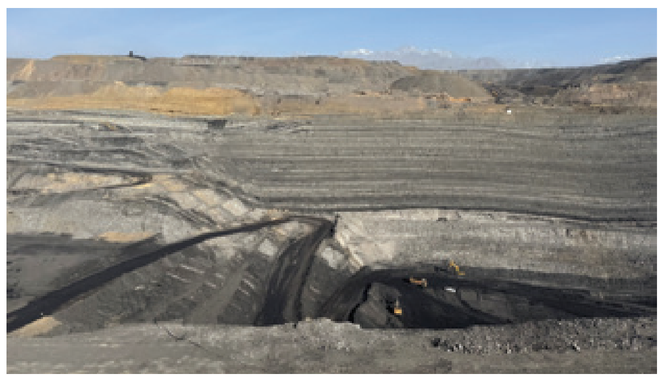
(source: https://m.thepaper.cn/baijiahao_30493041?sdkver=7d05c2f1)

The coal market's supply-demand imbalance has triggered continuous price declines, with accelerated depreciation in late February narrowing profitability across all industry segments and driving profound industry realignment. Our Group identifies structural contradictions in the current market: production-side cost advantages are negated by high logistics expenses, compounded by systemic downward shifts in market price benchmarks, rendering the "low extraction cost vs. high circulation cost" operational model unsustainable. Consequently, the Company is formulating dynamic market response strategies to optimize supply-demand systems in alignment with the emerging competitive landscape.

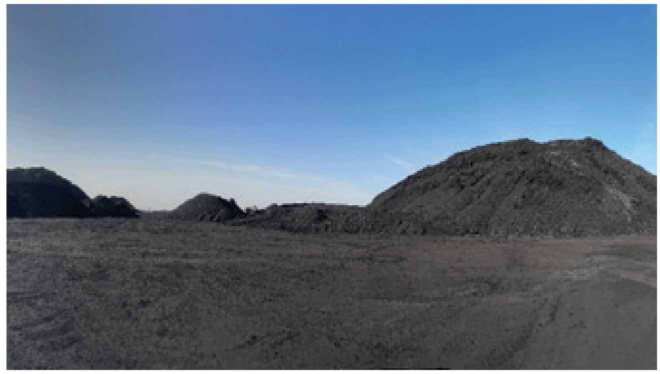
Xinjiang Xingliang Mine 2024 Summary

- Xingliang Mining rigorously implements coal mine safety production standards. The Company completed its 18-month fire control and remediation project in the mining area on schedule, focusing on comprehensive management of fire-affected zones, thereby establishing a safety foundation for mine commissioning.

- Starting in Q4 2023, the Company leveraged engineering coal derived from remediation operations to build a sales network covering key industrial enterprises in Xinjiang. Major clients include state-owned thermal power plants, large cement manufacturers, and chemical companies. The Company is concurrently expanding its sales market beyond Xinjiang. Full-year engineering coal sales revenue reached HKD1,006 million.



Current status of fire extinguishing works



Coal yard

4. *Mongolia — Supply Chain Management Services*

Choir Logistic Service LLC, acquired by Kaisun Group, is located near the Erenhot Port in China. The location serves as a crucial transportation and logistics hub for China, Mongolia, and Russia, providing significant location advantages. The Choir platform spans an area of 35,000 square meters and has an average annual loading and unloading capacity of 1.8 million tons. The primary services offered by Choir include loading and unloading, warehousing, logistics, and customs clearance.

Analysis of Mongolia's Coal Industry in 2024

According to statistical data released by the National Statistical Office of Mongolia, coal production and export volumes in Mongolia demonstrated synchronized substantial growth during the first 11 months of 2024, surpassing annual totals from the previous year. Full-year coal output is projected to approach 100 million metric tons, with exports estimated at approximately 85 million tons. During this period, Mongolia engaged in trade activities with 158 countries, achieving a total import-export merchandise trade volume of USD 25.2 billion. Export revenues reached USD 14.6 billion, with mineral products accounting for 87% (USD 12.7 billion) of total exports, primarily coal, copper concentrate, and gold. Imports totalled USD 10.6 billion, yielding a trade surplus of USD 4 billion.

Mongolia has capitalized on sustained growth in Chinese coal demand through strategic enhancements, leveraging its geographical proximity to China. The government has intensified infrastructure investments in border ports and optimized customs clearance efficiency to deepen Sino-Mongolian trade cooperation. The operationalization of the Choir Logistics Center has further catalyzed industrial chain upgrades, facilitating high-quality, full-cycle development across supply chain ecosystems.

(Source: https://mp.weixin.qq.com/s?__biz=MzA5NjYxMTc4OA==&idx=1&mid=2649820502&sn=3325007994b5abac63bc1faf8afc6d47)

The Choir Project 2024 Annual Summary

- The Group authorized Sainsaikhan Consulting Services LLC to be the construction, operation and strategic contractor of the Choir Project. In 2024, the cumulative cooperation income from the project will be approximately HK$3.15 million.

Choir platform

Development Goals for 2025

Shandong — Production of mining and metallurgical machinery

- Develop diversified application scenarios, expand product line types and end-user coverage, and ensure sustained growth in corporate profitability through lean production control.

- Optimize the accounts receivable management mechanism, enhance the efficiency of debt collection and risk prevention, accelerate the efficiency of capital recovery, and maintain a healthy cash flow.

Shandong — Supply Chain Management Services

- Implement environmental protection measures, promote the main construction of the fourth phase of dust suppression facilities, and systematically improve environmental governance capabilities.

- Build a professional coal marketing system, cultivate a high-quality sales team, explore incremental market resources, and simultaneously increase revenue scale and operating cash flow.

Xinjiang — Coal Mining Business

- Establish a standardized safety production control system, optimize the management organizational structure, and strengthen the supervision mechanism for safety regulations execution by the mining operation team.

- Implement digital control throughout the mining-storage-transportation-sales process, improve the financial accounting and human resources system, deepen the application of financial data analysis, and enhance the efficiency of capital utilization.

Mongolia — Supply Chain Management Services

- Consolidate strategic partnerships, broaden resource collaboration dimensions, ensure long-term stable operation of projects, and promote the continuous value-added development of the business ecosystem.

KAISUN BUSINESS SOLUTION

Event Management & Consulting Services

In 2024, the Event Management & Consulting Services division saw an increase in its total number of projects, with revenue also rising. However, this was accompanied by a increase in the turnover of each project and an increase in costs, resulting in the need to increase manpower to cope with more demands from clients, while earning less profit at the same time. This phenomenon is not an isolated case, as even the world's top three foreign public relations firms are facing a period of team cuts and client losses. The team is attempting to mitigate the decline in profits by working harder to win more projects. The deterioration of the business environment compared to the pre-epidemic period is a challenge that the PR team will have to face in the coming years.

The team has been able to maintain long-term relationships with existing clients through the consistent delivery of quality services, which has always been its core competitive advantage, and the team hopes to attract more potential clients in the future through the provision of professional and quality services. Looking ahead to 2025, the team will continue to focus on enhancing its competitiveness and visibility in the industry while maintaining cost efficiency.

Kaisun Trust

Kaisun Trust performed solidly overall in 2024, but faces challenges similar to those currently being experienced by other professional services sectors. Firstly, clients are becoming increasingly price-sensitive, demanding lower prices whilst expecting higher quality services. Secondly, the digital transformation of the professional services industry has led to increased operating costs, such as software fees, which have further compressed the division's profit margins. Notwithstanding these challenges, Kaisun Trust remains a reliable revenue stream for the Group.

Looking forward to 2025, the team will explore a wider range of business scope, a change that is expected to reinvigorate the trust business and enhance its competitiveness in the market.

e-Sports Business

The Group's e-Sports business is almost at a standstill in 2024. The e-Sports team is actively looking for a new way forward, but it seems difficult to change the status quo in the short term. In light of the global economic downturn in the e-sports industry, the Group must reassess the growth potential of the business and evaluate the necessity of ongoing investment. Should the global e-sports industry continue to experience a period of decline in the coming years, it may be more rational to consider a reduction in our activities or even to exit the sector entirely.

FINANCIAL REVIEW

Revenue of the Group for the year ended 31 December 2024 amounted to approximately HK$1,112.3 million, represented an increase of approximately 272.1% when compared with the same period in 2023 (2023: HK$298.9 million). The increase in revenue was mainly attributable to the increase in revenue generated from production and sales of coal from approximately HK$79.2 million in 2023 to approximately HK$1,001.8 million in 2024.

The Group's gross profit for the year ended 31 December 2024 increased approximately 71.0% to approximately HK$135.6 million when compared with the same period in 2023 (2023: HK$79.3 million) which was in line with the increase in revenue during 2024. The gross profit margin of the Group was decreased when compared with 2023, the reason for such decrease is due to the fierce competition facing by the Group as stated in the interim chairman's statement.

Investment and other income decreased from approximately HK$24.6 million to approximately HK$3.7 million in 2024, the decrease is mainly due to the Group no longer recognised any service income for coal fire extinguishment works during 2024.

Administrative and other operating expenses were approximately HK$80.7 million (2023: HK$90.8 million), the decrease in administrative and other operating expenses was mainly resulted from the Group's effort on cost control in response to the financial difficulties faced by the Group.

Finance costs remained relatively stable for the year ended 31 December 2024, amounted to approximately HK$21.4 million (2023: approximately HK$21.6 million).

Combining the effects of the above, the Group recorded a profit for the year of approximately HK$11.4 million (loss for 2023: HK$28.0 million) and the total comprehensive income attributable to owners of the Company for the year 2024 amounted to approximately HK$11.6 million (2023: comprehensive loss of HK$35.3 million).

As at 31 December 2024, the Group held financial assets at FVTPL of approximately HK$11.4 million, wholly comprised of listed investment in securities listed in Hong Kong. In the midst of poor performance of Hong Kong stock market in 2024, the fair value loss on financial assets at FVTPL was approximately HK$4.3 million for the year ended 2024 (2023: fair value loss HK$1.3 million). The details of financial assets at FVTPL are set out as follow:

Company Name	Number of shares held as at 31 December 2024	% of share-holding as at 31 December 2024	Unrealized gain/(loss) on fair value change for the year ended 31 December 2024	Fair value as at 31 December 2024	Fair value as at 31 December 2023	% of the Group's total assets as at 31 December 2024	Investment cost	Reasons for fair value loss
			HK$	***HK$***	*HK$*		*HK$*	
Hong Kong Listed Securities								
ASMPT Limited (0522) *(Note 1)*	11,000	0.0026%	(301,850)	823,900	—	0.11%	1,125,750	Drop in share price
Baidu, Inc. (9888) *(Note 2)*	1,100	0.00004%	(36,740)	90,970	127,710	0.01%	182,700	Drop in share price
Bilibili Inc. (9626) *(Note 3)*	660	0.0002%	31,944	93,720	61,776	0.01%	391,610	—
ENN Energy Holdings Limited (2688) *(Note 4)*	10,000	0.0009%	(16,500)	558,500	575,000	0.08%	971,495	Drop in share price
Hong Kong Exchanges and Clearing Limited (0388) *(Note 5)*	5,000	0.0004%	134,000	1,474,000	1,340,000	0.20%	1,799,000	—
HSBC Holdings plc (0005) *(Note 6)*	30,000	0.0002%	384,000	2,274,000	1,890,000	0.31%	1,468,500	—
JD.com Inc. (9618) *(Note 7)*	166	0.00001%	3,901	22,576	18,675	0.003%	—	—
MEITUAN (3690) *(Note 8)*	350	0.00001%	24,430	53,095	28,665	0.01%	—	—
MTR Corporation (0066) *(Note 9)*	50,000	0.0008%	(160,000)	1,355,000	1,515,000	0.18%	1,517,500	Drop in share price
Tencent Holdings Limited (0700) *(Note 10)*	3,500	0.00004%	431,900	1,459,500	1,027,600	0.20%	1,994,750	—
Tracker Fund of Hong Kong (2800) *(Note 11)*	80,000	0.0012%	245,600	1,620,800	1,375,200	0.22%	1,620,800	—
Wealthking Investments Limited (1140) *(Note 12)*	17,476,000	0.1661%	(5,068,040)	1,572,840	6,640,880	0.21%	24,943,440	Drop in share price
Total			(4,327,355)	11,398,901	14,600,506	1.54%	36,015,545	

Notes:

1. ASMPT Limited (HKEx: 0522) — ASMPT Limited engaged in the design, manufacture and marketing of machines, tools and materials used in the semiconductor and electronic assembly industries.

2. Baidu Inc. (HKEx: 9888) — Baidu Inc. is a leading AI company with a strong Internet foundation.

3. Bilibili Inc. (HKEx: 9626) — Bilibili Inc. is an iconic brand and a leading video community for young generations in China. The group is a full-spectrum video community that offers a wide array of content serving young generations' diverse interests.

4. ENN Energy Holdings Limited (HKEx: 2688) — The principal businesses of ENN Energy Holdings Limited are gas connection, sales of piped gas, construction and operation of vehicle gas refuelling stations, wholesale of gas, distribution of bottled liquefied petroleum gas ("LPG") and sales of gas appliances and materials.

5. Hong Kong Exchanges and Clearing Limited (HKEx: 0388) — Hong Kong Exchanges and Clearing Limited is Own and operate the only stock exchange and a futures exchange in Hong Kong and their related clearing houses, trading of base metals forward and options contracts operating in the UK.

6. HSBC Holdings plc (HKEx: 0005) — HSBC Holdings plc products and services are delivered to clients through four global businesses: Retail Banking and Wealth Management ("RBWM"), Commercial Banking ("CMB"), Global Banking and Markets ("GB&M") and Global Private Banking ("GPB").

7. JD.com Inc. (HKEx: 9618) — JD.com Inc. is a leading technology driven e-commerce company transforming to become a leading supply chain-based technology and service provider.

8. Meituan (HKEx: 3690) — Meituan provides platform which uses technology to connect consumers and merchants and offer diversified daily services, including food delivery, in-store, hotel and travel booking and other services.

9. MTR Corporation Limited (HKEx: 0066) — MTR Corporation Limited's businesses consist of (i) recurrent businesses (comprising Hong Kong transport operations, Hong Kong station commercial businesses, Hong Kong property rental and management businesses, and other businesses (collectively referred to as "recurrent businesses in Hong Kong"), and Mainland China and international railway, property rental and management businesses (referred as "recurrent businesses outside of Hong Kong"), and both excluding fair value measurement of investment properties) and (ii) property development businesses (together with recurrent businesses referred to as "underlying businesses").

10. Tencent Holdings Limited (HKEx: 0700) — Tencent Holdings Limited is principally engaged in the provision of VAS, FinTech and Business Services and Online Advertising services.

11. Tracker Fund of Hong Kong (HKEx: 2800) — Tracker Fund of Hong Kong is a unit trust which is governed by its Trust Deed dated 23rd October 1999, as amended, supplemented or restated from time to time. The Fund is authorized by the Securities and Futures Commission of Hong Kong under Section 104(1) of the Hong Kong Securities and Futures Ordinance.

12. Wealthking Investments Limited (HKEx: 1140) — The principal investment objective is to achieve earnings for the Company in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group has bank and cash balances of approximately HK$70.8 million (2023: HK$9.9 million).

The net current liabilities of the Group as at 31 December 2024 amounted to approximately HK$249.5 million. The net current liabilities status of the Group revealed potential going concern issues of the Group, to address the going concern issue, the management of the Group will if necessary, liaise with creditors on the maturity dates and repayment schedule of debts so that the Group can continue as a going concern; and consider fund-raising activities in the future. The Company will issue further announcements as of when appropriate in this regard.

GEARING RATIO

The Group's gearing ratio, which represents the ratio of the Group's bonds payables over the Group's total assets, was 0.06 as at 31 December 2024 (2023: 0.09).

FOREIGN EXCHANGE EXPOSURE

Majority of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars, Renminbi ("RMB") and United States dollars. As at 31 December 2024, the Group had no other significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

INCOME TAX

Details of the Group's income tax credit for the year 2024 are set out in note 8.

HUMAN RESOURCES

As at 31 December 2024, the Group had 107 (2023: 115) staff in Hong Kong and China.

The Group continues to employ, promote and reward its staff with reference to their performance and experience. In addition to their basic salaries, the Group's employees are also entitled to other fringe benefits such as provident fund. The management will continue to closely monitor the human resources requirements of the Group, and will also put emphasis on the staff quality. During the year 2024, the Group had not experienced any significant labour disputes which led to the disruption of its normal business operations. The Directors consider the Group's relationship with its employees to be good.

The total staff costs, including Directors' emoluments, amounted to approximately HK$30.8 million (2023: HK$23.2 million) for the year 2024.

SEGMENT REPORT

The detailed segmental analysis are provided in note 14.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2024.

LITIGATION

As at 31 December 2024, the Group had no significant pending litigation.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

Saved as disclosed in this announcement, there is no significant investment nor material acquisition and disposal undertaken by the Group during the year.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the year ended 31 December 2024 and up to the date of this announcement.

CAPITAL STRUCTURE

As at 31 December 2024, the Company has 583,415,844 shares of HK$0.1 each in issue (2023: 583,415,844 shares of HK$0.1 each).

CHARGES ON THE GROUP'S ASSETS

There was no charge on the Group's assets as at 31 December 2024.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended 31 December 2024 (2023: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Based on principles of transparency and independence, the Board of Directors and management are committed to principles of good corporate governance consistent with enhancement of shareholder value.

The Company has complied with the Code Provisions of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules (the "CG Code") throughout the year ended 31 December 2024 except the following deviation.

Dr. Wong Yun Kuen ("Dr. Wong") resigned as an independent non-executive director, a member of the audit committee (the "Audit Committee") of the Company and the chairman of remuneration committee (the "Remuneration Committee") of the Company with effect from 27 September 2024 due to his health issue. Mr. Liew Swee Yean ("Mr. Liew") resigned as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and nomination and corporate governance committee (the "Nomination and Corporate Governance Committee") of the Company and Mr. Wu Zheng ("Mr. Wu") resigned as an independent non-executive Director, the chairman of the Remuneration Committee, the chairman of the Nomination and Corporate Governance Committee, and a member of the Audit Committee with effect from 20 December 2024, due to their concerns over the operation viability of the Group after the imposition of the Prejudice to Investors' Interests Statement on the only two executive directors of the Company by the Stock Exchange on 10 December 2024.

Immediately after their resignations and as at the date of this announcement,

(1) there are no independent non-executive Directors on the Board which falls below the minimum number as required under Rule 5.05(1) of the GEM Listing Rules;

(2) there are no independent non-executive Directors on the Board which representing less than one-third of the Board as required under Rule 5.05A of the GEM Listing Rules;

(3) there are no independent non-executive Directors have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) and 5.28 of the GEM Listing Rules and terms of reference of the Audit Committee;

(4) there are no members and chairman on the Audit Committee which does not fulfil the requirements of establishing an audit committee that (i) comprising non-executive directors only; (ii) comprising a minimum of three members; (iii) comprising a majority of independent non-executive directors; and (iv) chaired by an independent non-executive director as required under Rule 5.28 of the GEM Listing Rules and the terms of reference of the Audit Committee;

(5) there are no chairman and the only member is the executive director on the Remuneration Committee which does not fulfil the requirements of establishing a remuneration committee that (i) comprising a minimum of three members; (ii) comprising a majority of independent non-executive directors; and (iii) chaired by an independent non-executive director as required under Rule 5.34 of the GEM Listing Rules and the terms of reference of the Remuneration Committee; and

(6) there are no chairman and the only member is the executive director on the Nomination and Corporate Governance Committee which does not fulfil the requirements of establishing a nomination committee that (i) comprising a minimum of three members; (ii) comprising a majority of independent non-executive directors; and (iii) chaired by an independent non-executive director as required under Rule 5.36A of the GEM Listing Rules and the terms of reference of the Nomination and Corporate Governance Committee.

Besides, reference is made to the announcement of the Company dated 31 December 2024 and 6 February 2025, as of the date of this announcement, the Company is unable to comply with the board diversity requirement under Rule 17.104 of the GEM Listing Rules, which prohibits a single-gender board. According to Rule 17.104 of the GEM Listing Rules, listed issuers with single-gender boards are required to appoint at least one director of a different gender by 31 December 2024. The Stock Exchange has explicitly stated that a single-gender board will not meet the diversity requirements under this Rule. Failure to appoint a director of a different gender by the specified deadline will breach Rule 17.104 of the GEM Listing Rules.

The Board is fully committed to complying with Rule 17.104 of the GEM Listing Rules and recognises the importance of gender diversity on the board. The Board has made significant efforts to identify a suitable female candidate, demonstrating our dedication to diversity. Despite extensive efforts over the past years to identify a suitable candidate for the female director role, the Company has faced the following challenges in making an appointment.

Despite the Company's best efforts to recruit a female director internally, and accepted applications of female candidates via public job advertisements as mentioned in previous announcements, the challenges we face remain unresolved. Although the Company continuously tried to recruit female director through public job advertisements, no more resumes has been received by the Company since the publication of the last supplemental announcements dated 6 February 2025. As for internal recruitment, the Company continued to discuss with several female employees on their feasibility of being a director of the Company, however, all of them still expressed concerns over the complexity of the operation and financial difficulties of the Group and hence rejected the invitation to join the Board. The difficulties in identifying suitable candidates with the necessary knowledge and experience in the coal mine industry, coupled with the imposition of the Prejudice to Investors' Interests Statement on the only two executive directors by the Stock Exchange on 10 December 2024, have made the recruitment process extremely difficult. As a result, the Company has still not appointed a suitable female director.

The Company and the remaining board members which are supposed to be on their way out are still working to fulfill Rules 5.05(1), 5.05(2), 5.05A, 5.28, 5.34, 5.36A and 17.104 of the GEM Listing Rules. The reason of not able to replace board members executives and independent non-executives as well as to enable a diversity of board representation is due to the uncertainty of not having a permanent executive board at this juncture in the case of independent non-executive directors, men and women. And the taking up of legacy of managing a highly specialized business as in coal mining in a rather remote vicinity in Xinjiang in the case of executive directors.

As a result, the Company requires additional time to identify and appoint a female candidate to the Board. The selected individual is expected to serve as an Independent Non-Executive Director, a role that is integral to the Board's decision-making process. This role is crucial as it brings a unique perspective and expertise to the Board, enhancing our corporate governance. The Company will continue to make efforts to recruit a female director via various means including public job advertisements, solicit internal employees as well as looking for referrals for candidates from senior management of the Group.

The Company will continue to seek and collect candidates resumes by the end of April, followed by background checks and interviews in May, with the appointment to be completed by the end of May to ensure the Company's compliance with Rules 5.05(1), 5.05(2), 5.05A, 5.28, 5.34, 5.36A and 17.104 of the GEM Listing Rules.

While the existing Board consider that they are acting on an interim basis to sit on the Board to deal with audit issues and debt repayment issues both onshore in Xinjiang and Hong Kong. They are as eager as regulators to diverse the board genders of locating replacement executive Directors and independent Directors. At this current juncture, the Company wishes our stakeholders, including regulators, shareholders and employees, would understand the current difficulties we are facing and bear with us that the above administrative are our priority. We are making every effort to expedite this process as soon as possible.

Furthermore, there is no Audit Committee as at the date of this announcement, the annual results for the year ended 31 December 2024 is reviewed by the board of directors.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES OR SALE OF TREASURY SHARES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased or sold any of its listed securities (including sale of treasury shares (as defined under the GEM Listing Rules)).

As at 31 December 2024, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors of the Company on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year 2024. The Company has also made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

AUDIT COMMITTEE

In 2023, the Audit Committee consists of the three independent non-executive Directors, namely Mr. Liew Swee Yean (Chairman of the Audit Committee), Dr. Wong Yun Kuen and Mr. Wu Zheng. As mentioned in the section headed "COMPLIANCE WITH CORPORATE GOVERNANCE CODE", they resigned as an independent non-executive Director and the Audit Committee during 2024. Therefore, there is no Audit Committee as at the date of this announcement, the annual results for the year ended 31 December 2024 is reviewed by the Board of Directors.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The figures contained in this annual results announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, the Hong Kong Standards on Review Engagements, or the Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by RSM Hong Kong on this annual results announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

Basis for Disclaimer of Opinion

Material uncertainties relating to going concern

As detailed in note 2 to the consolidated financial statements of the Group, the Group has defaulted in repayment of its bonds payable with a principal amount of HK$46,800,000 and the accrued interest of approximately HK$11,750,000 as at 31 December 2024, and as at 31 December 2024, the Group had net current liabilities and net liabilities of approximately HK$249,505,000 and HK$17,949,000 respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The management of the Company is planning to undertake a number of measures to improve the Group's future operating results, cash flows, liquidity and financial position to enable the Group to meet its liabilities as and when they fall due for the foreseeable future which are set out in note 2 to the consolidated financial statements of the Group. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) the successful improvement of future operating results and cash flows; and (ii) the positive results of the ongoing negotiations with the Group's creditors on the extension of repayment of debts, including but not limited to the defaulted bonds payable with a principal amount of HK$46,800,000 and the accrued interest of approximately HK$11,750,000 mentioned above. However, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that (i) the improvement of future operating results and cash flows would be realised; and (ii) the agreements with the Group's creditors on the extension of repayment of debts would be reached, including the default bonds payable mentioned above.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements of the Group.

In view of the significance of and the potential interaction of the multiple uncertainties described above and their possible cumulative effects on the consolidated financial statements, we disclaim our opinion in respect of the consolidated financial statements of the Group for the year ended 31 December 2024.

MANAGEMENT'S VIEW ON THE DISCLAIMER OF OPINION

The management of the Company has given careful consideration to the Disclaimer of Opinion (the "Disclaimer") and has had ongoing discussion with RSM Hong Kong when preparing the Group's consolidated financial statements.

In respect of the Disclaimer, management of the Company plans to undertake a number of measures (for details please refer to the below section "Action Plan of the Group to Address the Disclaimer") to improve the Group's future operating results, cash flows, liquidity and financial position to enable the Group to meet its liabilities as and when they fall due for the foreseeable future. The management of the Company is of the view that after taking consideration of the Group's financial forecast and measures to be taken, the Group will have sufficient working capital to operate as a going concern for at least 12 months from the end of reporting period, therefore the Group's consolidated financial statements are prepared on a going concern basis.

However, the Company's auditor is of the view that they were unable to obtain sufficient appropriate audit evidence as to the validity of the going concern basis, as the validity of the going concern basis depends the outcome of measures to be taken, which is subject multiple uncertainties due to future conditions and circumstances, including (i) whether the improvement of future operating results and cash flows would be realised; and (ii) whether the agreements with the Group's creditors on the extension of repayment of debts would be reached.

The Disclaimer was due to the absence of sufficient appropriate audit evidence on outcome of future events, there are no difference in view between the management of the Company and the auditor.

The management of the Company acknowledged and agreed with the disclaimer of opinion RSM Hong Kong issued based on their professional and independent assessment.

ACTION PLAN OF THE GROUP TO ADDRESS THE DISCLAIMER AND REMOVAL OF DISCLAIMER

The directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance to continue as going concern. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering the next twelve months from 31 December 2024 prepared by the management of the Company; and after taking into consideration the following:

(i) having regard to the growth of business as reflected by the increased revenue of the Group, the directors believe that the Group will be able to generate sufficient cash flows from operations; and

(ii) the positive results of the ongoing negotiations with the Group's creditors on the extension of repayment of debts, including but not limited to the matured bond payables of HK$46,800,000 and the accrued interest of approximately HK$11,750,000.

The management considered that the proposed measures mentioned above, if successful, could improve the Group's liquidity and therefore could help to address the Disclaimer. However, as the management's assessment of the Group's ability to continue as a going concern for the purposes of preparing the Group's consolidated financial statements for the year ending 31 December 2024 has to take into consideration of the future conditions and circumstances and could only be made at the end of the relevant reporting period, the management is unable to ascertain at this moment whether the Disclaimer can be removed in the next financial year purely based on the Company's measures above.

ANNUAL GENERAL MEETING

The date of the annual general meeting of the Company (the "AGM") will be announced in due course. Shareholders of the Company should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be dispatched by the Company.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.kaisun.hk). The annual report of the Company, containing information required by the GEM Listing Rules, will be despatched to shareholders of the Company who wish to receive a printed copy of the corporate communication and will also be published on the above websites in due course in compliance with the requirements under the GEM Listing Rules.

By Order of the Board
KAISUN HOLDINGS LIMITED
CHAN Nap Kee, Joseph
Chairman

Hong Kong, 31 March 2025

The English text of this announcement shall prevail over the Chinese text in case of inconsistencies.

As at the date of this announcement, the Board comprises two executive directors of the Company Mr. CHAN Nap Kee Joseph and Mr. YANG Yongcheng.

This announcement will remain on the "Latest Listed Company Information" page on the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.kaisun.hk.