



KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

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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 2025 together with the comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	969,931	1,112,283
Cost of goods sold and services		<u>(903,186)</u>	<u>(976,713)</u>
Gross profit		66,745	135,570
Investment and other income	5	3,602	3,715
Other gains and losses	6	(36,477)	(22,668)
Administrative and other operating expenses		<u>(92,751)</u>	<u>(80,747)</u>
(Loss)/profit from operations		(58,881)	35,870
Finance costs	7	<u>(16,458)</u>	<u>(21,449)</u>
(Loss)/profit before tax		(75,339)	14,421
Income tax credit/(expense)	8	<u>23,184</u>	<u>(3,028)</u>
(Loss)/profit for the year	9	<u>(52,155)</u>	<u>11,393</u>
Attributable to:			
Owners of the Company		(47,474)	8,878
Non-controlling interests		<u>(4,681)</u>	<u>2,515</u>
		<u>(52,155)</u>	<u>11,393</u>
(Loss)/earnings per share (cents)			
Basic	11	<u>(8.20)</u>	<u>1.53</u>
Diluted	11	<u>N/A</u>	<u>N/A</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit for the year	(52,155)	11,393
Other comprehensive income		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>467</u>	<u>1,836</u>
Other comprehensive income for the year, net of tax	<u>467</u>	<u>1,836</u>
Total comprehensive income for the year	<u>(51,688)</u>	<u>13,229</u>
Attributable to:		
Owners of the Company	(48,379)	11,621
Non-controlling interests	<u>(3,309)</u>	<u>1,608</u>
	<u>(51,688)</u>	<u>13,229</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		44,214	83,643
Right-of-use assets		5,521	162
Intangible assets		187,405	242,391
Financial assets at fair value through other comprehensive income (“FVTOCI”)		—	—
Deferred tax assets		8,587	9,236
Deposits paid for acquisition of property, plant and equipment		2,167	8,016
		247,894	343,448
Current assets			
Inventories		5,085	5,869
Financial assets at fair value through profit or loss (“FVTPL”)		13,056	11,399
Trade and bills receivables	12	20,410	76,188
Deposits, prepayments and other receivables		150,057	208,696
Current tax assets		1,007	—
Deposits in a licensed corporation		28,233	24,619
Bank and cash balances		46,904	70,776
		264,752	397,547
Current liabilities			
Trade payables	13	9,979	13,638
Other payables and accruals		288,268	433,841
Contract liabilities		137,067	128,950
Bonds payable		46,800	46,800
Other financial liabilities		3,013	15,671
Lease liabilities		176	125
Current tax liabilities		539	8,027
		485,842	647,052
Net current liabilities		(221,090)	(249,505)
Total assets less current liabilities		26,804	93,943

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*At 31 December 2025*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities		
Other payables and accruals	92,560	92,750
Lease liabilities	195	31
Deferred tax liabilities	3,686	19,111
	<u>96,441</u>	<u>111,892</u>
NET LIABILITIES	<u>(69,637)</u>	<u>(17,949)</u>
Capital and reserves		
Share capital	58,342	58,342
Reserves	(145,750)	(97,337)
Equity attributable to owners of the Company	(87,408)	(38,995)
Non-controlling interests	17,771	21,046
CAPITAL DEFICIENCY	<u>(69,637)</u>	<u>(17,949)</u>

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

The Group incurred a loss of approximately HK\$52,155,000 during the year ended 31 December 2025 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK\$221,090,000 and HK\$69,637,000 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\$4,700,000 as at 31 December 2025.

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 fifteen months from 31 December 2025 prepared by the management of the Company; and after taking into consideration the following:

- (i) having regard to the expected growth of the current business activities of the Group and continue to streamline the Group's structure and reduce the relevant operating costs, 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\$4,700,000 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 adopted all of the new or amended IFRS Accounting Standards and Interpretations issued by the IASB that are mandatory for the current reporting period. There was no material impact to the consolidated financial statements as a result of the adoption of these standards.

(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 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The company's assessment of the impact of these new or amended IFRS Accounting Standards and Interpretations, most relevant to the company, are set out below:

	Effective for accounting periods beginning on or after
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
Amendment to IFRS 9 and IFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendment to IAS 21 — Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027

**Effective for accounting
periods beginning
on or after**

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 new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of IFRS 18, with respect to the structure of the Group's statement of loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Statement of Cash Flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
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	931,141	1,001,765
— Provision of supply chain management services for mineral business	3,971	72,045
— Mining and metallurgical machineries products	10,180	18,807
	<u>945,292</u>	<u>1,092,617</u>
Provision of services:		
— Logistics services for mineral business	15,189	8,412
— Trust and trustee services	1,980	2,215
— Event management services	2,564	5,040
— Operating of railway logistic platform	4,025	3,151
— Others	881	848
	<u>969,931</u>	<u>1,112,283</u>

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:

	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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
For the year ended 31 December																		
Primary geographical markets																		
— Hong Kong	—	—	—	—	—	—	—	—	1,980	2,215	2,564	5,040	—	—	881	595	5,425	7,850
— PRC except Hong Kong	931,141	1,001,765	3,971	72,045	10,180	18,807	15,189	8,412	—	—	—	—	—	—	—	—	960,481	1,101,029
— Others	—	—	—	—	—	—	—	—	—	—	—	—	4,025	3,151	—	253	4,025	3,404
Revenue from external customers	<u>931,141</u>	<u>1,001,765</u>	<u>3,971</u>	<u>72,045</u>	<u>10,180</u>	<u>18,807</u>	<u>15,189</u>	<u>8,412</u>	<u>1,980</u>	<u>2,215</u>	<u>2,564</u>	<u>5,040</u>	<u>4,025</u>	<u>3,151</u>	<u>881</u>	<u>848</u>	<u>969,931</u>	<u>1,112,283</u>
Timing of revenue recognition																		
Products transferred at a point in time	931,141	1,001,765	3,971	72,045	4,295	18,807	15,189	8,412	1,677	1,851	1,059	1,824	—	—	172	475	957,504	1,105,179
Products and services transferred over time	—	—	—	—	5,885	—	—	—	303	364	1,505	3,216	4,025	3,151	709	373	12,427	7,104
Total	<u>931,141</u>	<u>1,001,765</u>	<u>3,971</u>	<u>72,045</u>	<u>10,180</u>	<u>18,807</u>	<u>15,189</u>	<u>8,412</u>	<u>1,980</u>	<u>2,215</u>	<u>2,564</u>	<u>5,040</u>	<u>4,025</u>	<u>3,151</u>	<u>881</u>	<u>848</u>	<u>969,931</u>	<u>1,112,283</u>

5. INVESTMENT AND OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income on bank deposits	90	797
Dividend income from equity investments	362	400
Government grants	21	239
Rental income	720	963
Sundry income	2,409	1,316
	<u>3,602</u>	<u>3,715</u>

6. OTHER GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fair value gain/(loss) on financial assets at FVTPL	3,931	(4,327)
Fair value gain on financial liabilities at FVTPL	12,658	26,392
Net foreign exchange gains/(loss)	1,671	(381)
Reversal of impairment loss/(impairment loss) on trade and other receivables	1,333	(21,548)
Impairment loss on right-of-use assets	(506)	(9,767)
Impairment loss on property, plant and equipment	(4,025)	(13,036)
Impairment loss on intangible assets	(53,683)	—
Gain on disposal of financial assets at FVTPL	807	—
Gain on disposal of subsidiaries	1,344	—
Loss on disposal of property, plant and equipment	(7)	(1)
	<u>(36,477)</u>	<u>(22,668)</u>

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interests on bonds payable	—	4,680
Interest expenses on lease liabilities	10	34
Interests on other borrowings	4,499	4,321
Imputed interest expenses on payables for mining rights	11,949	12,414
	<u>16,458</u>	<u>21,449</u>

8. INCOME TAX (CREDIT)/EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax — Hong Kong		
Provision for the year	23	8
Over-provision in prior years	<u>(1,009)</u>	<u>(1,464)</u>
	(986)	1,456
Current tax — PRC		
Provision for the year	—	7,347
Over-provision in prior years	<u>(7,272)</u>	<u>—</u>
	(8,258)	5,891
Current tax — Mongolia		
Provision for the year	<u>306</u>	<u>316</u>
	(7,952)	6,207
Deferred tax	<u>(15,232)</u>	<u>(3,179)</u>
	<u>(23,184)</u>	<u>3,028</u>

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. (LOSS)/PROFIT FOR THE YEAR

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration		
— Audit services	2,900	2,900
Cost of inventories sold	663,827	849,654
Depreciation on property, plant and equipment	50,885	3,826
Depreciation on right-of-use assets	61	—
Amortisation of intangible assets (included in administrative and other operating expenses)	10,091	10,111
Gain on disposal of subsidiaries	(1,344)	—
Loss on disposal of property, plant and equipment	7	1
Fair value (gain)/loss on financial assets at FVTPL	(3,931)	4,327
Fair value gain on financial liabilities at FVTPL	(12,658)	(26,392)
(Reversal of impairment loss)/impairment loss on trade and other receivables	(1,333)	21,548
Gain on disposal of financial asset at FVTPL	(807)	—
Impairment loss of intangible assets	53,683	—
Impairment losses on property, plant and equipment	4,025	13,036
Impairment losses on right-of-use assets	506	9,767
Net exchange (gain)/loss	<u>(1,671)</u>	<u>381</u>

10. DIVIDEND

No dividend has been paid or declared by the Company for the years ended 31 December 2025 and 2024.

11. (LOSS)/EARNINGS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit for the purpose of calculating basic (loss)/earnings per share	<u>(47,474)</u>	<u>8,878</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>578,724,208</u>	<u>578,724,208</u>

No diluted (loss)/earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2024 and 2025.

12. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	73,320	123,996
Allowance for doubtful debts	<u>(56,857)</u>	<u>(52,435)</u>
	16,463	71,561
Bills receivables	<u>3,947</u>	<u>4,627</u>
	<u><u>20,410</u></u>	<u><u>76,188</u></u>

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

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	10,324	20,670
31–60 days	3,204	2,510
61–90 days	153	331
91–365 days	11,350	58,340
Over 1 year	<u>48,289</u>	<u>42,145</u>
	<u><u>73,320</u></u>	<u><u>123,996</u></u>

13. TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	925	6,023
31–60 days	1,276	873
61–90 days	58	853
91–180 days	1,047	5,380
181–365 days	2,534	—
Over 365 days	<u>4,139</u>	<u>509</u>
	<u><u>9,979</u></u>	<u><u>13,638</u></u>

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 <i>HK\$'000</i>	Consulting and media service business segment <i>HK\$'000</i>	Corporate and investment business segment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2025				
Revenue from external customers	964,506	5,222	203	969,931
Segment (loss)/profit	(57,377)	98	5,124	(52,155)
Interest revenue	41	—	49	90
Interest expenses	16,454	4	—	16,458
Depreciation and amortisation	61,036	1	—	61,037
Income tax expense/(credit)	(23,855)	22	649	(23,184)
Other material items of income and expense:				
Staff costs	22,622	1,862	7,294	31,778
Other material non-cash items:				
Impairment loss on intangible assets	53,683	—	—	53,683
Reversal of impairment loss on trade and other receivables	(1,034)	(162)	(137)	(1,333)
Impairment loss on property, plant and equipment	4,025	—	—	4,025
Impairment loss on right-of-use assets	506	—	—	506
Gain on disposal of subsidiaries	—	—	(1,344)	(1,344)
Additions to segment non-current assets	19,385	—	—	19,385
As at 31 December 2025				
Segment assets	461,689	58	50,899	512,646
Segment liabilities	444,531	1,375	136,377	582,283

	Coal mining business segment <i>HK\$'000</i>	Consulting and media service business segment <i>HK\$'000</i>	Corporate and investment business segment <i>HK\$'000</i>	Total <i>HK\$'000</i>
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	19,690	2,044	9,124	30,858
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

Reconciliations of segment assets and liabilities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Assets		
Total assets of reportable segments	<u>512,646</u>	<u>740,995</u>
Consolidated total assets	<u><u>512,646</u></u>	<u><u>740,995</u></u>
Liabilities		
Total liabilities of reportable segments	<u>582,283</u>	<u>758,944</u>
Consolidated total liabilities	<u><u>582,283</u></u>	<u><u>758,944</u></u>

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	—	1
Mongolia	15,567	17,816
PRC except Hong Kong	223,740	316,395
	<hr/>	<hr/>
Consolidated total	239,307	334,212
	<hr/> <hr/>	<hr/> <hr/>

Revenue from major customers:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Coal mining business segment		
Customer a	153,069	175,188
Customer b (<i>note ii</i>)	113,230	N/A
Customer c (<i>note i</i>)	N/A	150,549
Customer d	96,292	142,470
	<hr/>	<hr/>

- (i) Customer c did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2025.
- (ii) Customer b did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the pace of global economic growth moderated significantly. According to data from the International Monetary Fund (IMF), the global actual GDP growth rate for the year was approximately 3.2%. Against this backdrop, while Mainland China's economy achieved its growth target of approximately 5.0%, it encountered severe challenges, primarily characterized by deep structural adjustments in the real estate sector and structural fluctuations in the recovery of domestic demand. This complex macroeconomic environment exerted considerable pressure across various industries, with particularly profound transformations occurring within the energy sector.

The coal industry in 2025 underwent a fundamental reshaping of its supply-demand dynamics. National raw coal production reached a record high of 4.85 billion tons, resulting in overall ample market supply. However, due to weakened demand from traditional energy-intensive sectors, coal prices experienced significant volatility during the first half of 2025. The Tuha coalfield (Turpan-Hami region), where the Group's core assets are located, was also impacted, with pithead coal prices facing downward pressure in the first half of the year. Although the market showed signs of stabilization after the third quarter, the overall profit margins for the full year were severely compressed, posing a direct challenge to the Group's profitability.



Strategic Adjustment and Business Reorganization

To address external challenges and consolidate its competitive advantages, the Group decisively implemented a strategic pivot of “Focusing on Core Business and Enhancing Operational Efficiency” in 2025. We have completely divested our non-core segments, including the public relations and trust services departments (formerly known as “Kaisun Business Solutions (KBS)”), in order to concentrate all resources on our primary coal mining and related energy business in Xinjiang.

In terms of corporate governance, the Board of Directors underwent a comprehensive renewal in the second half of 2025, introducing a new leadership team with extensive industry experience and redefining the Group’s development strategy. Complementing the business streamlining, the Group implemented extremely stringent cost control measures, including the redundancy of approximately 8 full-time positions and the resignations of two Executive Directors. This series of streamlining measures aims to optimize resource allocation, allowing the Group to focus its center of gravity on the strategic directions with the greatest potential.

The Group’s strategic positioning in 2025 was highly aligned with emerging global trends. As 2025 was recognized as the inaugural year of the Artificial Intelligence (AI) explosion, the rapid growth in computing power demand triggered a surge in electricity consumption, and the role of coal-fired power as the “cornerstone” within the energy structure was redefined during the year. Specifically, the “Hami-Chongqing” ±800 kV Ultra-High Voltage Direct Current (UHVDC) transmission line, which officially commenced operations in June 2025, established a high-speed corridor for transporting Xinjiang’s coal and power resources to other regions, significantly enhancing the strategic premium of the Group’s mining assets in the Gaochang area of Xinjiang.

2026 Outlook and Future Strategy

Looking ahead to 2026, as the nation officially embarks on the 15th Five-Year Plan (2026–2030), the Group will enter a critical consolidation phase of its strategic transformation. While the financial performance of 2025 reflected the “growing pains” of this transition, the management remains committed to finalizing the remaining streamlining efforts and further reducing non-essential administrative costs to repair our financial foundation and enhance risk resilience.

The Group maintains a prudent outlook for its development in 2026. Our operational focus will be centered on unlocking the production potential of the Xinjiang coal mine, promoting the operation of the coal logistics platform, and deepening the integration of the energy industrial chain. The Board believes that although the short-term market environment remains rigorous with various uncertainties, by focusing on core operations and continuously improving management efficiency, Kaisun Holdings will strive to achieve breakthroughs amidst these challenges and pursue long-term asset value for its shareholders.

Analysis of Business Segments

As the Group completes its strategic transformation of “Returning to Core Business,” current business segments are centered around the coal value chain. The Group is committed to becoming a comprehensive enterprise with full service capabilities in the fields of coal resource extraction and commodity supply chain management.

1. Coal Mining Business (Wholly-owned Subsidiary of Shandong Kailai)

The Group’s coal mining operations are undertaken by Xinjiang Turpan Xingliang Mining Co., Ltd. (“Xingliang Mining”), a wholly-owned subsidiary of Shandong Kailai Energy Logistics Co., Ltd. (“Shandong Kailai”). Xingliang Mining is located in Qiquanhu Town, Turpan City, Xinjiang. The mining area is situated within the Tuha Coalfield, one of the four major coalfields in Xinjiang, characterized by superior resource endowment. The primary coal type mined is long-flame coal, which features high volatility and strong reactivity. It is widely used in thermal power generation and chemical raw material preparation, offering broad market prospects.

In terms of resource integration and project compliance, Xingliang Mining signed an integrity agreement with the Gaochang District Government in 2018 and was established as the primary entity for regional resource integration, responsible for integrating surrounding small-scale coal mines, which reflects the local government’s recognition of its operational strength. In August 2020, Xingliang Mining successfully obtained its exploration permit, and in the fourth quarter of 2022, it secured a mining permit for a production capacity of 1.2 million tons per year, providing a legal basis for large-scale extraction. Furthermore, addressing historical fire area disaster hazards in the mining district, the company was approved for a fire zone governance and extinguishing project in 2021 and reached a cooperation agreement with a professional construction team. The project officially commenced in November 2023. Following 18 months of systematic governance, the fire extinguishing project has completed key node deliveries on schedule. The fire areas have been effectively remediated, significantly reducing safety risks and establishing a solid operational foundation for the subsequent official production of the mine.



2. *Supply Chain Management Services Business*

The Group's supply chain management business is primarily operated by its holding subsidiary, Shandong Kailai. Shandong Kailai is positioned as a comprehensive service provider for the coal supply chain, with core operations covering loading/unloading, warehousing management, coal blending and processing, washing and quality improvement, and logistics transportation. The company holds the right to use a dedicated railway line at Guanqiao Station (Yanzhou Depot of Jinan Railway Bureau), a core asset that builds a competitive barrier for its logistics services. From a regional layout perspective, the Shandong Kailai logistics base is located at the intersection node of the Jinan Railway Bureau and Shanghai Railway Bureau, situated at a strategic hub of the railway transportation network with significant locational advantages. The base covers an area of 110,000 square meters, equipped with comprehensive environmental protection facilities and a warehousing center, with a current stable annual handling capacity of 3 million tons. It is adjacent to several state-owned chemical enterprises, providing a stable source of business, and faces no significant competition within its service radius, maintaining a solid market position.

3. *Mining and Metallurgical Machinery Production Business*

The Group conducts mining and metallurgical machinery manufacturing through its subsidiary, Tengzhou Kaiyuan Industrial Co., Ltd. ("Tengzhou Kaiyuan"). As a critical layout in the Group's equipment manufacturing sector, Tengzhou Kaiyuan focuses on the research, development, and production of overhead manned cableway devices and spare parts, providing full-cycle services including installation, technical support, and after-sales maintenance. The enterprise emphasizes the construction of industry access qualifications and has accumulated 50 sets of safety mark certificates for mining products, which are recognized within the industry for their safety performance and technical standards. Notably, Tengzhou Kaiyuan successfully passed European standard certification in 2023, signifying that its production processes and product quality possess the capability to compete in international markets, laying the foundation for the Group's expansion into overseas business.

4. *Logistics and Platform Services in China-Mongolia-Russia*

The Group actively integrates into the “Belt and Road” initiative through acquisitions and layouts of logistics nodes in the China-Mongolia-Russia region. The railway platform located in Choir, Mongolia, is a core asset in the Group’s China-Mongolia-Russia transport corridor. Adjacent to the Erenhot port in China and situated on a mandatory route for international logistics between China, Mongolia, and Russia, its locational advantage is evident. The Choir platform covers an area of 35,000 square meters with an annual handling capacity of 1.8 million tons, primarily providing loading/unloading, warehousing management, logistics transfer, and customs clearance services to customers. To ensure specialized operation of the project, the Group has authorized Sainsaikhan Consulting Services LLC as the construction, operation, and strategic contractor for the Choir project to coordinate the upgrade and business expansion of the platform.



Future Development and Important Trends

Since 2025, national and local authorities have intensively issued a series of policies involving energy security, clean utilization, and China-Mongolia-Russia logistics. These macroeconomic trends will have a profound impact on the Group’s operations and bring potential development opportunities.

1. **Clean Utilization and Equipment Upgrades:** The “Benchmark and Baseline Levels for Clean and Efficient Coal Utilization (2025 Edition)” issued in December 2025 promotes the transformation of coal into high-value products. This not only benefits the demand for Xingliang Mining’s long-flame coal (high-quality thermal coal) but also encourages downstream mines to increase capital expenditure on high-end and efficient mining equipment from Tengzhou Kaiyuan.
2. **Xinjiang Coal Trading Market Construction:** The “Implementation Opinions on Accelerating the Construction of Xinjiang Coal Trading Market” released in December 2025 aims to deepen energy mechanism reforms. With transparent pricing mechanisms and the use of big data and cloud computing to build a national unified market, Xingliang Mining is expected to integrate into the standardized market system rapidly, enhancing its competitiveness and bargaining power in the “Xinjiang Coal Outbound Transportation” market.

3. **Intelligent Mining Policy:** The “Key Research and Development Catalog for Intelligent Mining Robots” issued by the National Mine Safety Administration in September 2025 encourages collaborative technical breakthroughs. Tengzhou Kaiyuan can leverage its technical expertise to explore the development or adaptation of intelligent and unmanned equipment, increasing product value and expanding its market share.
4. **China-Mongolia-Russia Logistics Dividends:** The official opening of the “Erenhot — Mongolia — Russia” land postal route in December 2025 provides a full-process closed-loop service for cross-border logistics. As the Choir railway platform is located at a key node of this artery, it is expected to benefit from the continuous growth in transit cargo volumes, improving asset utilization and operational efficiency.

In summary, the aforementioned policies and market trends constitute the macroeconomic background for the Group’s future development. From the “cornerstone” role in energy transition and the power demand driven by AI development to the linkage effects of the upstream and downstream industrial chains, a variety of potential paths are provided for the Group’s development following its focus on the energy core business. Management will closely monitor policy implementation and actively seize market opportunities to transform macroeconomic advantages into internal corporate value.

Securities Trading Business

The Group’s securities trading business in Hong Kong listed securities continues to be overseen by the Investment Committee. In addition to providing regular securities analysis and performance reports, the Investment Committee holds periodic meetings to review and assess portfolio risks.

Reviewing the year 2025, global equity markets delivered a strong performance, driven primarily by resilient corporate earnings in the United States and sustained investor enthusiasm for artificial intelligence (AI)-related industries. In Hong Kong, the Hang Seng Index experienced volatility at the start of the year amid robust US economic data, before suffering a sharp decline in April triggered by market turbulence arising from US tariff policies. The Index subsequently staged a strong recovery. For the full year, the Hang Seng Index gained approximately 27.8%, marking its best annual performance since 2017 and successfully reversing four consecutive years of decline. The rally was supported by a renewed interest in Chinese equities, robust trading volumes, and a global reallocation of capital driven by the US Federal Reserve’s interest rate cutting cycle.

As at 31 December 2025, the fair value of listed securities was HK\$13,055,895. The cost of listed investments was HK\$34,547,045.

As at 31 December 2025, part of our existing securities portfolio recorded an unrealised gain of HK\$3,930,994. Dividend received from listed securities was HK\$361,957.

The Investment Committee considers that the Group's equity portfolio has recorded solid returns against the backdrop of a broad-based recovery in the Hong Kong stock market. Nevertheless, the external environment remains challenging and uncertain. Accordingly, the Investment Committee will continue to adopt a prudent and watchful approach, seeking opportunities to accumulate quality blue-chip stocks and dividend-yielding securities at appropriate entry levels, while continuing to reduce exposure to new economy stocks. The Committee will also consider disposing of long-held and profitable positions.

FINANCIAL REVIEW

Revenue of the Group for the year ended 31 December 2025 amounted to approximately HK\$969.9 million, representing a decrease of approximately 12.8% when compared with the same period in 2024 (2024: HK\$1,112.3 million). The decrease in revenue was mainly attributable to a drop in revenue generated from the production and sales of coal from approximately HK\$1,001.8 million in 2024 to approximately HK\$931.1 million in 2025 due to a drop in coal price during the year, as well as a significant decrease in the provision of supply chain management services for the mineral business, which fell from approximately HK\$72.0 million in 2024 to approximately HK\$4.0 million in 2025.

The Group's gross profit for the year ended 31 December 2025 decreased by approximately 50.8% to approximately HK\$66.7 million when compared with the same period in 2024 (2024: HK\$135.6 million). The gross profit and gross profit margins for the full year were severely compressed due to a drop in coal price during the year.

Investment and other income remained relatively stable at approximately HK\$3.6 million in 2025 (2024: HK\$3.7 million). However, the Group recorded a net loss in other gains and losses of approximately HK\$36.5 million in 2025 (2024: net loss of HK\$22.7 million). This substantial increase in losses was mainly due to a significant impairment loss on intangible assets amounting to approximately HK\$53.7 million recognised during the year.

Administrative and other operating expenses increased by approximately 15.0% to approximately HK\$92.8 million (2024: HK\$80.7 million). The increase in administrative expenses was due to the compensation paid to local residents affected by the Group's fire extinguishment project as ordered by local government.

Finance costs decreased by approximately 22.9% for the year ended 31 December 2025, amounting to approximately HK\$16.5 million (2024: approximately HK\$21.4 million). The decrease was primarily due to the absence of interests on bonds payable resulted from negotiation with bondholders during the year, which amounted to approximately HK\$4.7 million in 2024.

Combining the effects of the above, the Group recorded a loss for the year of approximately HK\$52.2 million (2024: profit of HK\$11.4 million). The total comprehensive loss attributable to owners of the Company for the year 2025 amounted to approximately HK\$48.4 million (2024: comprehensive income of HK\$11.6 million).

As at 31 December 2025, the Group held financial assets at FVTPL of approximately HK\$13.1 million, wholly comprised of securities listed in Hong Kong. Against the backdrop of a mild recovery in Hong Kong stock market in 2025, the fair value gain on financial assets at FVTPL was approximately HK\$3.9 million for the year ended 2025 (2024: fair value loss HK\$4.3 million). The details of financial assets at FVTPL are set out as follow:

Company Name	Number of shares held as at 31 December 2025	% of shareholding as at 31 December 2025	Unrealized	Fair value as at		% of the Group's total assets as at 31 December 2025	Investment cost HK\$	Reasons for fair value loss
			gain/(loss) on fair value change for the year ended 31 December 2025 HK\$	31 December 2025 HK\$	31 December 2024 HK\$			
Hong Kong Listed Securities								
ASMPT Ltd (522) (Note 1)	11,000	0.00263%	28,050	851,950	823,900	0.17%	1,125,750	—
Baidu, Inc. (9888) (Note 2)	1,100	0.00004%	53,680	144,650	90,970	0.03%	182,700	—
Bilibili Inc. (9626) (Note 3)	660	0.0002%	33,594	127,314	93,720	0.02%	391,610	—
ENN Energy Holdings Limited (2688) (Note 4)	10,000	0.0009%	133,500	692,000	558,500	0.13%	971,495	—
Hong Kong Exchanges and Clearing Limited (0388) (Note 5)	5,000	0.0004%	564,000	2,038,000	1,474,000	0.40%	1,799,000	—
HSBC Holdings plc (0005) (Note 6)	—	—	—	—	2,274,000	—	—	—
JD.com Inc. (9618) (Note 7)	166	0.00001%	(4,050)	18,526	22,576	0.004%	—	Drop in share price
MEITUAN (3690) (Note 8)	350	0.00001%	(16,940)	36,155	53,095	0.01%	—	Drop in share price
MTR Corporation Limited (0066) (Note 9)	50,000	0.00080%	135,000	1,490,000	1,355,000	0.29%	1,517,500	—
Tencent Holdings Limited (0700) (Note 10)	3,500	0.00004%	637,000	2,096,500	1,459,500	0.41%	1,994,750	—
Tracker Fund of Hong Kong (2800) (Note 11)	80,000	0.0015%	444,800	2,065,600	1,620,800	0.40%	1,620,800	—
HK. AI Capital Limited (1140) (Note 12)	17,476,000	0.1499%	1,922,360	3,495,200	1,572,840	0.68%	24,943,440	—
Total			3,930,994	13,055,895	11,398,901	2.52%	34,547,045	

Notes:

1. ASMP T Ltd (HKEx: 0522) — ASMP T Ltd 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. HK. AI Capital Limited (HKEx: 1140) — The principal investment objective is to achieve earnings for HK. AI Capital Limited 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 2025, the Group has bank and cash balances of approximately HK\$46.9 million (2024: HK\$70.8 million).

The net current liabilities of the Group as at 31 December 2025 amounted to approximately HK\$221.1 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 0.09 as at 31 December 2025 (2024: 0.06).

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 2025, 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 2025 are set out in note 8.

HUMAN RESOURCES

As at 31 December 2025, the Group had 101 (2024: 107) 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 2025, 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\$31.8 million (2024: HK\$30.9 million) for the year 2025.

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 2025.

LITIGATION

As at 31 December 2025, 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 2025 and up to the date of this announcement.

CAPITAL STRUCTURE

As at 31 December 2025, the Company has 583,415,844 shares of HK\$0.1 each in issue (2024: 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 2025.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended 31 December 2025 (2024: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this announcement, the Company has maintained a sufficient public float in accordance with the GEM Listing Rules.

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 2025 except the following deviations:

According to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chen Chun Long and Mr. Ching Ho Tung, Philip acted as the Joint Chief Executive Officers of the Company and are responsible for all day-to-day corporate management matters. Since the appointment of Mr. Chen Chun Long and Mr. Ching Ho Tung, Philip as Executive Directors on 24 July 2025 and the resignation of Mr. Chan Nap Kee, Joseph, the former Chairman of the Board on 27 July 2025, the Company does not have a Chairman to discharge the duties as required under CG Code C.2.1 to C.2.9. The daily operation and management of the Company are monitored by the two newly appointed Executive Directors. The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment. The Board believes that the absence of a Chairman will not have adverse effect to the Company, as decisions of the Company will be made collectively by the Board. The Board will keep reviewing the current structure of the Board and the need of appointment of a suitable candidate to perform the role of Chairman. Appointment will be made to fill the post to comply with the CG Code if necessary.

During 2024, 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. Following their resignations, the Company fell into non-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.

Throughout 2025, the Company has actively worked to rectify these non-compliances. Mr. Chen Chun Long and Mr. Ching Ho Tung, Philip (“Mr. Ching”) were appointed as executive Directors on 24 July 2025. The former Chairman Mr. Chan Nap Kee, Joseph

resigned as an executive Director on 27 July 2025. The former executive Director Mr. Yang Yongcheng (“Mr. Yang”) resigned on 31 August 2025. Ms. Liu Chenzi (“Ms. Liu”) was appointed as a non-executive Director on 31 August 2025. On 7 November 2025, the Company appointed Mr. Ng Ping Yuen (“Mr. Ng”) and Mr. Leung Kim Hung, Andy (“Mr. Leung”) as independent non-executive Directors. Following these appointments, Mr. Ng was appointed as the chairman of the audit committee and the nomination and corporate governance committee, and a member of the remuneration committee, Mr. Leung was appointed as the chairman of the remuneration committee, and a member of the audit committee and the nomination and corporate governance committee, and Ms. Liu was appointed as a member of the audit committee, the remuneration committee and the nomination and corporate governance committee. These appointments and resignations collectively restored the Board’s composition and established the necessary committees to address the non-compliances identified in 2024.

As at 31 December 2025, the Board of Directors comprises two executive Directors, namely Mr. Chen Chun Long and Mr. Ching, one non-executive Director, namely Ms. Liu, and two independent non-executive Directors, namely Mr. Ng and Mr. Leung.

Following the appointments on 7 November 2025 and with effect from the same date, the composition of each board committee is as follows:

The Audit Committee now comprises three members. Mr. Ng, an independent non-executive Director with appropriate professional qualifications and accounting-related financial management expertise, serves as the chairman of the Audit Committee. The other members of the Audit Committee are Mr. Leung, an independent non-executive Director, and Ms. Liu, a non-executive Director. All members are non-executive Directors, and the majority are independent non-executive Directors.

The Remuneration Committee now comprises three members. Mr. Leung, an independent non-executive Director, serves as the chairman of the Remuneration Committee. The other members of the Remuneration Committee are Mr. Ng, an independent non-executive Director, and Ms. Liu, a non-executive Director. The majority are independent non-executive Directors.

The Nomination and Corporate Governance Committee now comprises three members. Mr. Ng, an independent non-executive Director, serves as the chairman of the Nomination and Corporate Governance Committee. The other members of the Nomination and Corporate Governance Committee are Mr. Leung, an independent non-executive Director, and Ms. Liu, a non-executive Director. The majority are independent non-executive Directors and the committee includes a member of a different gender, fulfilling the gender diversity requirements.

With the above composition, the Company's compliance status with the relevant GEM Listing Rules as at 31 December 2025 is analysed as follows:

- (a) As at 31 December 2025, the Board comprises two independent non-executive Directors. This still falls short of the minimum requirement of three independent non-executive Directors under Rule 5.05(1) of the GEM Listing Rules.
- (b) Mr. Ng, an independent non-executive Director, is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He possesses the appropriate professional qualifications and accounting-related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules. Accordingly, the Company complies with this requirement.
- (c) As at 31 December 2025, the Board comprises five members, of which two are independent non-executive Directors. This represents two-fifths (40%) of the Board, which meets the requirement of at least one-third under Rule 5.05A of the GEM Listing Rules. Accordingly, the Company complies with this requirement.
- (d) As detailed above, the Audit Committee comprises three non-executive Directors, with a majority being independent non-executive Directors, and is chaired by an independent non-executive Director, Mr. Ng. This fulfills the requirements under Rule 5.28 of the GEM Listing Rules and the terms of reference of the Audit Committee. Accordingly, the Company complies with this requirement.
- (e) As detailed above, the Remuneration Committee comprises three members, with a majority being independent non-executive Directors, and is chaired by an independent non-executive Director, Mr. Leung. This fulfills the requirements under Rule 5.34 of the GEM Listing Rules and the terms of reference of the Remuneration Committee. Accordingly, the Company complies with this requirement.
- (f) As detailed above, the Nomination and Corporate Governance Committee comprises three members, with a majority being independent non-executive Directors, and is chaired by an independent non-executive Director, Mr. Ng. This fulfills the requirements under Rule 5.36A of the GEM Listing Rules and the terms of reference of the Nomination and Corporate Governance Committee. Accordingly, the Company complies with this requirement.
- (g) With the appointment of Ms. Liu as a non-executive Director on 31 August 2025, the Board is no longer single-gender. As at 31 December 2025, the Board comprises members of different genders, fulfilling the board diversity requirement under Rule 17.104 of the GEM Listing Rules. Accordingly, the Company complies with this requirement.

The Board is fully committed to complying with Rule 5.05(1) of the GEM Listing Rules and recognises the importance of maintaining a sufficient number of independent non-executive Directors to ensure robust corporate governance. The Company is actively seeking suitable candidates to fill the vacancy for an additional independent non-executive Director. Currently, the Board is liaising with two potential candidates, and both of them intends to make a decision on whether to join the Board in May 2026, after reading the Company's annual report. Therefore, the Company expects to complete the appointment by 31 May 2026 and will make further announcement(s) in this regard as and when appropriate.

Save as disclosed above in respect of the deviations from the CG Code and the non-compliance with Rule 5.05(1) of the GEM Listing Rules, the Board considers that the Company has met all other relevant requirements under the GEM Listing Rules and the code provisions set out in the CG Code throughout the year ended 31 December 2025.

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

During the year ended 31 December 2025, 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 2025, 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 2025. 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

The Audit Committee consists of the two independent non-executive Directors and one non-executive Director, namely Mr. Ng Ping Yuen (chairman of the Audit Committee), Mr. Leung Kim Hung, Andy and Ms. Liu Chenzi. The Audit Committee has reviewed with the auditor and management the accounting principles and practices adopted by the Company and discussed auditing, financial reporting, internal control and risk management systems, and has reviewed the audited annual financial results for the year ended 31 December 2025.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The figures contained in this annual results announcement of the Group's results for the year ended 31 December 2025 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\$4,700,000 as at 31 December 2025 and incurred a loss of approximately HK\$52,155,000 during the year ended 31 December 2025 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK\$221,090,000 and HK\$69,637,000 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\$4,700,000 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 interest thereon 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 2025.

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 2025 prepared by the management of the Company; and after taking into consideration the following:

- (i) having regard to the forecasted revenue stream of the Group, the directors believe that the Group will be able to generate sufficient cash flows from operations;
- (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\$4,700,000; and
- (iii) Mr. Chan Nap Kee, Joseph, former executive Director of the Company and former chairman of the Board, expressed his continued committed to the Company and agreed to extend his interest-free shareholder loan and will not demand payment from the Group until 30 June 2027, in support of the Group's financial stability and ongoing business operations.

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 2025 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.

AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER

The audit committee of the Company confirmed that it had independently reviewed and agreed with (i) the management's position and basis concerning the Disclaimer as set out above; and (ii) the action plan of the Group to address the Disclaimer as set out 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 2025 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
Ching Ho Tung, Philip
Executive Director

Hong Kong, 31 March 2026

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

As at the date of this announcement, the executive Directors are Mr. Chen Chun Long and Mr. Ching Ho Tung, Philip, the non-executive Director is Ms. Liu Chenzi and the independent non-executive Directors are Mr. Ng Ping Yuen and Mr. Leung Kim Hung, Andy.

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.