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KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8203)

ANNOUNCEMENT ON NON-COMPLIANCE WITH BOARD DIVERSITY UNDER RULE 17.104 OF THE GEM LISTING RULES REQUIREMENT

This announcement is made by Kaisun Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) pursuant to Rule 17.104 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company wishes to inform its shareholders and potential investors that, as of 31 December 2024, the Company will not be able 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.

The Company is in the coal mine industry which traditionally has less female participation, it is hard to identify candidates with the relevant knowledge in the industry. Nevertheless, the Company has made efforts to recruit a female director both internally and publicly. However, none of the female employees within the Group are willing to take on the role of a director for a listed company, as they lack the relevant knowledge and experience needed to fulfill the obligations and responsibilities stipulated in the GEM Listing Rules. While the Company received several applications of female candidates via public job advertisements, the Company cannot among them identify candidates who possess of suitable qualifications and at the same time requesting a reasonable remuneration package. As stated in the announcement of the Company dated 20 December 2024, the remaining two independent non-executive directors resigned 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 by the Stock Exchange on 10 December 2024. Under these circumstances, it is extremely hard for the Company to recruit a director, either male or female, executive directors or non-executive directors.

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 and 5.36A 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.

In alignment with the Company's diversity policy, we are committed to fostering Board diversity through the careful consideration of various factors, including, but not limited to, gender, age, cultural background, educational qualifications, professional expertise, and industry and regional experience. The Board will evaluate these criteria when identifying and selecting candidates for Board directorships, ensuring that they align with the corporate strategy and enhance Board diversity as appropriate. As a result, the Board requires additional time to identify a qualified candidate with the educational background, skills, and expertise necessary to contribute effectively to the diversity and overall functioning of the Board.

The Company recognises the importance of addressing its non-compliance with Rule 17.104 of the GEM Listing Rules. It is committed to appointing a female director and other independent non-executive directors as soon as possible to ensure full adherence to the GEM Listing Rules. It is expected that the Board will appoint a suitable female candidate as a director and other independent non-executive directors no later than 31 January 2025. We are making every effort to expedite this process as soon as possible.

The Company will make further announcements as and when appropriate.

By Order of the Board
Kaisun Holdings Limited
Pang Yick Him
Company Secretary

Hong Kong, 31 December, 2024

As of the date of this announcement, the executive Directors are Mr. Chan Nap Kee, Joseph and Mr. Yang Yongcheng.

This announcement, for which the Directors 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 of Hong Kong Limited 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.

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) for at least seven days after the date of its publication and on the website of the Company (www.kaisun.hk).

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

* *for identification purpose only*