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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)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on information currently available to the Board, the Group is expected to record a loss for year ended 31 December 2019 compared to the profit of corresponding period last year.

The expected loss for the year 2019 was mainly attributable to

- (i) written off part of receivables and increase in impairment of expected credit loss in our receivables given current market environment and management's expectation of receivables collectivity impacted by current economic downturn, and
- (ii) an expected loss in the fair value of the Group's Hong Kong securities trading business.

This announcement is made by Kaisun Holdings Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to rule 17.10 of the Rules Governing the Listing of Securities on Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571, Law of Hong Kong) (the "SFO").

As stated in the Notice of Board Meeting dated 2 March 2020, the Company will publish unaudited consolidated results of the Company and its subsidiaries for the year ended 31 December 2019 based on management accounts reviewed by Audit Committee as our auditor were unable to schedule their field work in the PRC to complete the audit.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on information currently available to the Board, the Group is expected to record a loss for the year ended 31 December 2019 compared to the corresponding period last year. This is primarily attributable to (i) written off of bad debts and increased in impairment of expected credit loss provision in our receivables. (ii) an expected loss in the fair value of the Group’s Hong Kong securities trading business.

Amid the current market turmoil caused by unprecedented coronavirus outbreak disrupting normal transportation between Hong Kong, China and the rest of the world, normal business development of the Company has been impacted. As most of the pledged assets against our receivables are located in China and South East Asia, management expectation of recovery of outstanding receivables is minimal and hence decided to write off part of the receivables.

A fair value loss was expected to be recorded on fair value through profit or loss on listed securities investment for the year of 2019, while an unrealized profit on fair value through profit or loss on listed securities investment was recorded for the same period last year, and loss on disposal of financial assets at fair value through profit and loss was expected to be recorded for year of 2019.

Fair value gain or loss was arrived at using following method:

During every financial period the Group’s Hong Kong listed securities' value is calculated using the closing stock prices as at each financial period’s cut-off date.

(i) Any subsequent movement in market price after such cut-off date will be recorded as an “unrealized” gain or loss in the next reporting period compared to the last or corresponding period in case the securities is not sold, and a “realized” gain or loss if the securities is sold.

(ii) Acquisition cost can only be used to calculate the performance of the stock when it is within the same reporting period.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the year ended 31 December 2019.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the Company's auditor or the audit committee of the Company.

Shareholders and potential investors are advised to refer to details of the financial information to be disclosed in the Company's announcement of the unaudited consolidated results of the Group for the year ended 31 December 2019, which is expected to be published on 20 March 2020.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Kaisun Holdings Limited**  
**CHAN Nap Kee, Joseph**  
*Chairman*

16 March, 2020

*\* for identification purpose only*

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

*As of the date of this announcement, the executive Directors are Mr. Chan Nap Kee Joseph and Mr. Yang Yongcheng. The independent non-executive Directors are Mr. Liew Swee Yean, Mr. Siu Siu Ling Robert, Dr. Wong Yun Kuen and Mr. Anderson Brian Ralph.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this announcement misleading or deceptive.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the Company's website at [www.kaisun.hk](http://www.kaisun.hk).*