Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

KAISUN HOLDINGS LIMITED
凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

A Belt & Road Participant

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Kaisun Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026. This announcement, containing the full text of the 2026 interim report of the Group, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM (the "**GEM**") of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcement of interim results.

By Order of the Board
KAISUN HOLDINGS LIMITED
Chen Chun Long
Chairman

Hong Kong, 31 August 2026

* *for identification purpose only*

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, Mr. Leung Kim Hung, Andy and Mr. Leung Kar Fai.

*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.*

This report 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).

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this report.

This report, 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 report 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 report misleading.

The board of Directors (the "Board") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026 together with the unaudited comparative figures for the corresponding period in 2025 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Unaudited Six months ended 30 June	
	Note	**2026 HK$'000**	2025 HK$'000
Revenue	4	**360,379**	330,705
Cost of goods sold and services		**(321,263)**	(307,654)
Gross profit		**39,116**	23,051
Investment and other income	6	**1,477**	418
Other gains and losses	7	**1,716**	(3,482)
Administrative and other operating expenses		**(38,750)**	(40,658)
Profit/(loss) from operations		**3,559**	(20,671)
Finance costs	12	**(7,842)**	(8,622)
Loss before tax		**(4,283)**	(29,293)
Income tax (expense)/credit	8	**(1,483)**	807
Loss for the period	9	**(5,766)**	(28,486)
Attributable to:			
Owners of the Company		**(6,780)**	(24,442)
Non-controlling interests		**1,014**	(4,044)
		(5,766)	(28,486)
Loss per share (HK cents)			
Basic	11	**(1.16)**	(4.19)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Unaudited Six months ended 30 June	
		2026	2025
	Note	**HK$'000**	HK$'000
Loss for the period		**(5,766)**	(28,486)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**233**	519
Other comprehensive income for the period, net of tax		**233**	519
Total comprehensive expense for the period		**(5,533)**	(27,967)
Attributable to:			
Owners of the Company		**(7,315)**	(24,683)
Non-controlling interest		**1,782**	(3,284)
		(5,533)	(27,967)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Non-current assets			
Property, plant and equipment	13	**47,060**	44,214
Right-of-use assets		**11,449**	5,521
Intangible assets	14	**189,611**	187,405
Financial assets at fair value through other comprehensive income ("FVTOCI")		**—**	—
Deferred tax assets		**9,411**	8,587
Deposits paid for acquisition of property, plant and equipment		**2,254**	2,167
		259,785	247,894
Current assets			
Inventories		**5,320**	5,085
Financial assets at fair value through profit or loss ("FVTPL")	20	**19,753**	13,056
Trade and bills receivables	15	**45,732**	20,410
Deposits, prepayments and other receivables		**152,877**	150,057
Current tax assets		**—**	1,007
Deposits in a licensed corporation		**17,096**	28,233
Bank and cash balances		**22,591**	46,904
		263,369	264,752
Current liabilities			
Trade payables	16	**65,662**	9,979
Other payables and accruals		**241,091**	288,268
Contract liabilities		**142,114**	137,067
Bonds payable		**46,800**	46,800
Other financial liabilities		**3,013**	3,013
Lease liabilities		**184**	176
Current tax liabilities		**474**	539
		499,338	485,842

	Note	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Net current liabilities		**(235,969)**	(221,090)
Total assets less current liabilities		**23,816**	26,804
Non-current liabilities			
Other payables and accruals		**96,299**	92,560
Lease liabilities		**193**	195
Deferred tax liabilities		**2,494**	3,686
		98,986	96,441
NET LIABILITIES		**(75,170)**	(69,637)
Capital and reserves			
Share capital	17	**58,342**	58,342
Reserves		**(153,065)**	(145,750)
Equity attributable to owners of the Company		**(94,723)**	(87,408)
Non-controlling interests		**19,553**	17,771
CAPITAL DEFICIENCY		**(75,170)**	(69,637)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital HK$'000	Share premium HK$'000	Shares held under share award scheme HK$'000	Foreign currency translation reserve HK$'000	Financial assets at FVTOCI reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Capital deficiency HK$'000
At 1 January 2025 (audited)	58,342	1,361,910	(3,371)	(777)	(7,200)	(1,447,899)	(38,995)	21,046	(17,949)
Total comprehensive expense for the period	–	–	–	(241)	–	(24,442)	(24,683)	(3,284)	(27,967)
Changes in equity for the period	–	–	–	(241)	–	(24,442)	(24,683)	(3,284)	(27,967)
At 30 June 2025 (unaudited)	58,342	1,361,910	(3,371)	(1,018)	(7,200)	(1,472,341)	(63,678)	17,762	(45,916)
At 1 January 2026 (audited)	**58,342**	**1,361,910**	**(3,371)**	**(1,262)**	**(7,200)**	**(1,495,827)**	**(87,408)**	**17,771**	**(69,637)**
Total comprehensive expense for the period	**–**	**–**	**–**	**(535)**	**–**	**(6,780)**	**(7,315)**	**1,782**	**(5,533)**
Changes in equity for the period	**–**	**–**	**–**	**(535)**	**–**	**(6,780)**	**(7,315)**	**1,782**	**(5,533)**
At 30 June 2026 (unaudited)	**58,342**	**1,361,910**	**(3,371)**	**(1,797)**	**(7,200)**	**(1,502,607)**	**(94,723)**	**19,553**	**(75,170)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Net cash used in operating activities	**(5,800)**	(38,232)
Net cash used in investing activities	**(10,102)**	(315)
Net cash used in financing activities	**(7,834)**	(8,725)
Net decrease in cash and cash equivalents	**(23,736)**	(47,272)
Effect of foreign exchange rate changes	**(577)**	(477)
	(24,313)	(47,749)
Cash and cash equivalents at beginning of period	**46,904**	70,776
Cash and cash equivalents at end of period	**22,591**	23,027

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 ACCOUNTING POLICIES

The Group's condensed consolidated financial statements is unaudited but have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"). The condensed 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").

The condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in preparation of these condensed financial information are consistent with those used in the annual financial statement for the year ended 31 December 2025, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses based on the current situation. Actual results may differ from these estimates.

The Group had net current liabilities and net liabilities of approximately HK$235,969,000 and HK$75,170,000 respectively as at 30 June 2026. 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 careful 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 30 June 2026 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.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the condensed 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 condensed 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. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to the International Financial Reporting Standards ("IFRSs") issued by the IASB to this interim financial report for the current accounting period:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instrument
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards — Volume 11

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE

Disaggregation of revenue

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

	Unaudited Six months ended 30 June 2026 HK$'000	2025 HK$'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 coals	**347,133**	310,066
— Provision of supply chain management services for mineral business	**3,383**	3,934
— Mining and metallurgical machineries products	**2,939**	4,698
Provision of services:		
— Logistics services for mineral business	**5,180**	6,580
— Trust and trustee services	**—**	1,265
— Event management services	**509**	2,014
— Operating of railway logistic platform	**1,077**	1,993
— Others	**158**	155
	360,379	330,705

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 coals		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	
For the six months ended 30 June (unaudited)	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000	**2026 HK'000**	2025 HK'000
Revenue by primary geographical markets																		
– Hong Kong	**-**	–	**-**	–	**-**	–	**-**	–	**-**	1,265	**509**	2,014	**-**	–	**158**	155	**667**	3,434
– PRC except Hong Kong	**347,133**	310,066	**3,383**	3,934	**2,939**	4,698	**5,180**	6,580	**-**	–	**-**	–	**-**	–	**-**	–	**358,635**	325,278
– Others	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**1,077**	1,993	**-**	–	**1,077**	1,993
Revenue from external customers	**347,133**	310,066	**3,383**	3,934	**2,939**	4,698	**5,180**	6,580	**-**	1,265	**509**	2,014	**1,077**	1,993	**158**	155	**360,379**	330,705
Timing of revenue recognition																		
Products transferred at a point in time	**347,133**	310,066	**3,383**	3,934	**2,939**	4,698	**5,180**	6,580	**-**	–	**-**	–	**-**	–	**-**	–	**358,635**	325,278
Products and services transferred over time	**-**	–	**-**	–	**-**	–	**-**	–	**-**	1,265	**509**	2,014	**1,077**	1,993	**158**	155	**1,744**	5,427
Total	**347,133**	310,066	**3,383**	3,934	**2,939**	4,698	**5,180**	6,580	**-**	1,265	**509**	2,014	**1,077**	1,993	**158**	155	**360,379**	330,705

5. 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.

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

	Coal mining business segment HK$'000	Consulting and media services business segment HK$'000	Corporate and investment business segment HK$'000	Total HK$'000
For six months ended 30 June 2026 (unaudited)				
Revenue from external customers	359,712	509	158	360,379
Segment (loss)/profit	1,002	795	(7,563)	(5,766)
Interest revenue	71	–	–	71
Interest expenses	7,842	–	–	7,842
Depreciation and amortisation	8,478	–	–	8,478
Income tax expense/(credit)	2,306	–	(823)	1,483
Other material items of income and expenses:				
Staff cost	10,470	18	2,218	12,706
Other material non-cash items:				
(Reversal of impairment loss)/ impairment loss on trade and other receivables	(6,283)	39	(60)	(6,304)
Additions to segment non-current assets	4,684	–	–	4,684
As at 30 June 2026 (unaudited)				
Segment assets	475,790	74	47,290	523,154
Segment liabilities	461,751	1,340	135,234	598,325

	Coal mining business segment HK$'000	Consulting and media services business segment HK$'000	Corporate and investment business segment HK$'000	Total HK$'000
For six months ended 30 June 2025 (unaudited)				
Revenue from external customers	327,271	3,344	90	330,705
Segment (loss)/profit	(25,379)	209	(3,316)	(28,486)
Interest revenue	137	—	31	168
Interest expenses	8,618	4	—	8,622
Depreciation and amortisation	9,291	1	—	9,292
Income tax (credit)/expense	(1,107)	4	296	(807)
Other material items of income and expenses:				
Staff cost	10,759	1,100	4,226	16,085
Other material non-cash items:				
Impairment loss on trade and other receivables	5,124	97	3	5,224
Additions to segment non-current assets	697	—	—	697
As at 30 June 2025 (unaudited)				
Segment assets	694,373	2,800	47,864	745,037
Segment liabilities	634,531	2,082	154,340	790,953

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Reconciliations of segment profit or loss:		
Total loss of reportable segments	**(5,766)**	(28,486)
Other loss	**—**	—
Consolidated loss for the period	**(5,766)**	(28,486)

6. INVESTMENT AND OTHER INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Interest income on bank deposits	**71**	168
Dividend income from equity investments	**239**	214
Sundry income	**1,167**	36
	1,477	418

7. OTHER GAINS AND LOSSES

	Unaudited Six months ended 30 June 2026 HK$'000	2025 HK$'000
Net foreign exchange gain/(loss)	**2**	(52)
Fair value (loss)/gain on financial assets at FVTPL	**(4,990)**	1,794
Reversal of impairment loss/ (impairment loss) on trade and other receivables	**6,304**	(5,224)
Gain on disposal of subsidiaries	**11**	—
Gain on disposal of financial assets at FVTPL	**1,153**	—
Loss on disposal of property, plant and equipment	**(764)**	—
	1,716	(3,482)

8. INCOME TAX EXPENSE/(CREDIT)

	Unaudited Six months ended 30 June 2026 HK$'000	2025 HK$'000
Current tax		
— Hong Kong, PRC & Mongolia		
Income tax expenses	**2,306**	147
Deferred tax credit	**(823)**	(954)
	1,483	(807)

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

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 period.

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 FOR THE PERIOD

The Group's loss for the period is arrived at after charging/(crediting) the following:

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Directors' remuneration	**1,788**	1,860
Cost of inventories sold	**315,151**	306,787
Depreciation on property, plant and equipment	**3,016**	4,288
Depreciation on right-of-use assets	**153**	6
Amortisation of intangible assets (included in administrative and other operating expenses)	**5,309**	4,998
Loss on disposal of property, plant and equipment	**764**	—
Gain on disposal of financial assets at FVTPL	**(1,153)**	—
Fair value loss/(gain) on financial assets at FVTPL	**4,990**	(1,794)
(Reversal of impairment loss)/impairment loss on trade and other receivables	**(6,304)**	5,224
Net exchange (gain)/loss	**(2)**	52

10. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 June 2026 (Six months ended 30 June 2025: Nil).

11. LOSS PER SHARE

The calculations of the basic loss per share are based on the following data:

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Loss for the purpose of calculating basic loss per share	**(6,780)**	(24,442)
Number of shares *(Thousand shares)*		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**583,416**	583,416

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary sharing during the period ended 30 June 2026 and 2025.

12. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Interest component of lease liabilities	**16**	7
Interests on other borrowings	**632**	1,591
Imputed interest expenses on payables for mining rights	**7,194**	7,024
	7,842	8,622

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant, and equipment of approximately HK$4.7 million. During the six months ended 30 June 2025, the Group acquired property, plant, and equipment of approximately HK$0.7 million.

14. INTANGIBLE ASSETS

	Mining rights HK$'000
Cost	
At 1 January 2025	319,153
Exchange differences	13,405
At 31 December 2025 and 1 January 2026	**332,558**
Exchange differences	**13,435**
At 30 June 2026	**345,993**
Accumulated amortisation and impairment losses	
At 1 January 2025	76,762
Amortisation for the period	10,091
Impairment loss	53,683
Exchange differences	4,617
At 31 December 2025 and 1 January 2026	**145,153**
Amortisation for the period	**5,309**
Exchange differences	**5,920**
At 30 June 2026	**156,382**
Carrying amount	
At 30 June 2026	**189,611**
At 31 December 2025	187,405

The Group's mining rights represent the rights for production and exploitation of a coal mine in Xinjiang, PRC. The major content of the coal mine is long-flame coal. The mining rights are stated at cost less accumulated amortisation and impairment losses over the estimated useful life. The remaining useful life of the mining rights is 28.34 years (31 December 2025: 28.84 years).

15. TRADE AND BILLS RECEIVABLES

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
Trade receivables	105,059	73,320
Allowance for doubtful debts	(59,576)	(56,857)
	45,483	16,463
Bills receivables	249	3,947
	45,732	20,410

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:

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
0–30 days	24,402	10,324
31–60 days	142	3,204
61–90 days	3,685	153
91 days–365 days	22,922	11,350
Over 1 year	53,908	48,289
	105,059	73,320

The carrying amounts of the Group's trade and bills receivables are denominated in the following currencies:

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
HK$	**61**	3
RMB	**42,025**	16,864
US$	**3,646**	3,543
	45,732	20,410

16. TRADE PAYABLES

At 30 June 2026, the ageing analysis of trade payables based on the date of receipt of goods, is as follows:

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
0–30 days	**1,033**	925
31–60 days	**4,945**	1,276
61–90 days	**7,249**	58
91–365 days	**48,367**	3,581
Over 1 year	**4,068**	4,139
	65,662	9,979

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

17. SHARE CAPITAL

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
Authorised:		
5,000,000,000 ordinary shares of HK$0.10 each	**500,000**	500,000
Issued and fully paid:		
583,415,844 ordinary shares of HK$0.1 each	**58,342**	58,342

18. CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

19. COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
Capital contribution to subsidiaries	**212,152**	203,914
Capital expenditures for property, plant and equipment	**10,290**	9,890
Acquisition of equity investments	**21,863**	21,014
	244,305	234,818

20. FINANCIAL ASSETS AT FVTPL

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
Equity securities, at fair value		
— Listed in Hong Kong	**19,753**	13,056

The carrying amounts of the above financial assets are classified as follows:

	Unaudited as at 30 June 2026 HK$'000	Audited as at 31 December 2025 HK$'000
Held for trading	**19,753**	13,056

The carrying amounts of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with IFRS 9.

The investments included above represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of listed securities are based on current bid prices.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2026, global economic growth remained subdued. In July, the International Monetary Fund (IMF) lowered its forecast for global economic growth in 2026 by 0.1 percentage point to approximately 3.0%. Against a backdrop of slow progress in disinflation, divergent monetary policies among major economies and escalating trade frictions, geopolitical uncertainties continued to unsettle international markets. Developments in the Middle East and risks to navigation through the Strait of Hormuz heightened volatility in international oil and gas prices and further increased uncertainty surrounding global energy supplies. Energy security has consequently become more prominent than ever, prompting major economies to strengthen control over their domestic energy resources.

At the beginning of the 15th Five-Year Plan period, the Chinese economy remained broadly stable, with industries continuing to move towards new and higher-quality growth drivers. Gross domestic product (GDP) grew by 4.7% year-on-year in the first half of the year, demonstrating strong resilience. China was also one of only a few major economies for which the IMF upgraded its growth outlook. Notably, industrial upgrading and emerging electricity demand continued to reshape the energy consumption mix. Total electricity consumption rose by 5.3% year-on-year in the first half, while electricity demand from AI computing, data centres and electric-vehicle charging and battery-swapping services grew rapidly. The National Energy Administration (NEA) expects nationwide electricity consumption by computing facilities to increase by more than 100 billion kWh annually on average during the 15th Five-Year Plan period and to reach 800 billion kWh by 2030. Despite the rapid growth of non-fossil energy, fossil fuels — coal, oil and gas — still accounted for approximately 80% of total primary energy consumption (80.2% in 2024), and traditional energy continued to play the dominant role. As the largest component of the fossil-fuel mix, coal continued to serve as a system backstop and provide peak-shaving support when new-energy output fluctuated. This trend towards closer coordination between computing capacity and power supply continued to expand underlying energy demand and further reinforce coal's strategic value as a fundamental energy source that underpins system reliability.

In the first half of the year, China's domestic coal market was generally characterised by relatively tight supply and demand and a fluctuating upward trend in the price centre. On the supply side, routine safety inspections, measures to curb involution-style competition and stringent inspections of excessive production continued to materially constrain the flexibility of domestic supply. Coal imports also contracted, partly owing to tighter export quotas in Indonesia, leaving limited room for incremental supply. Demand, meanwhile, remained robust, supported by growing electricity consumption and strong demand for coal used in chemical production. The combination of tighter supply and buoyant demand widened the supply-demand gap and steadily raised the price centre of thermal coal. The average spot price of 5,500 kcal/kg thermal coal at Qinhuangdao Port was approximately RMB769 per tonne in the first half, up about 13.9% year-on-year, confirming a clear strengthening trend. Against this backdrop, Xinjiang, as a key national energy base, played an important stabilising role in safeguarding supply. Its raw coal output reached 260 million tonnes in the first half, while railway shipments of Xinjiang coal to other regions reached 49.65 million tonnes, up 8.5% year-on-year. Xinjiang coal has now been supplied to 19 provincial-level regions across China. Supported by continued railway capacity expansion, Xinjiang coal has helped address resource shortfalls in central and eastern China, further consolidating the region's strategic position.

Nevertheless, the industry faces several challenges that warrant attention. On the one hand, Xinjiang's coal capacity is being released rapidly. Under the mid-term adjustment to the national 14th Five-Year Plan, the entire national quota of 150 million tonnes per annum of new coal capacity was allocated to Xinjiang. High-quality, advanced capacity in the region continues to receive approved increases, significantly enhancing supply capability. If local consumption — including coal-fired power generation and coal chemicals — and shipments out of the region do not keep pace with capacity additions, regional coal prices could face intensified competition and periodic downward pressure, potentially affecting the Group's margins on locally sold thermal coal. On the other hand, the market has recently focused on opportunities to export Xinjiang coal to Central Asia. However, geopolitical risks, cross-border logistics and border-port capacity constraints, together with barriers relating to market access and settlement, make it difficult for this route to develop into a large-scale and stable export channel in the near term. Its ability to materially ease regional supply-demand pressures therefore remains to be seen.

At the policy level, a recently issued development plan for the coal industry during the 15th Five-Year Plan period explicitly reinforces coal's role in underpinning energy security and lists Xinjiang as one of China's five major coal-supply security bases. Together with ongoing measures to curb involution-style competition and stringent inspections of excessive production, which continue to restrain destructive low-price competition and improve price-range regulation, these policies provide support for a dynamic supply-demand balance and stable industry profitability. The clean and efficient utilisation of coal and the low-carbon transition are also advancing. China Energy Investment Corporation Co., Ltd. (CHN Energy) recently announced that its proprietary hydrogen-coal co-firing technology had, for the first time, achieved co-firing with a 50% green-hydrogen blend and combustion using 100% pure hydrogen. This represents a material technological breakthrough in decarbonising coal-fired power: at a 50% green-hydrogen co-firing ratio, carbon emissions from coal-fired power generation can be reduced by approximately 50%. If deployed at scale in the future, the technology could significantly expand the scope for clean coal utilisation, extend the development horizon and viability of coal and related upstream and downstream industries, and provide solid support for the long-term transition of traditional energy companies. It is also noteworthy that Xinjiang is accelerating the coordinated development of computing capacity and power supply. Green computing hubs serving the national "east data, west computing" project, including Hami (Yiwu), are being advanced at pace, accelerating the region's transition from a major energy-exporting region to a hub for computing-capacity supply. Meanwhile, Xinjiang's capacity to transmit electricity outside the region continues to strengthen. Five ultra-high voltage (UHV) power-transmission channels, comprising two alternating-current (AC) and three direct-current (DC) lines, have been completed, while a third major UHV AC transmission channel is under construction. By 2030, a six-channel outbound transmission backbone is planned. These developments further consolidate Xinjiang's strategic role as a national energy base and create new opportunities for the development of integrated energy businesses based on its resource advantages. The progress of the Group's Xinjiang business is closely aligned with these national energy strategy priorities.

Against this backdrop, the Group's coal mining business in Gaochang District, Turpan City, Xinjiang has continued to make steady progress. Xinjiang has become the Group's core growth engine. At the same time, Management clearly recognises the challenges posed by intensified regional price competition arising from rapid capacity additions in Xinjiang, as well as constraints associated with the export of coal to Central Asia. The Group has proactively undertaken a number of key measures to strengthen its financial position:

1. **Strengthening Core Assets and Streamlining the Corporate Structure**

   The Group continues to allocate resources more efficiently to the development of its core energy and logistics businesses in order to enhance the competitiveness of its principal operations and improve capital efficiency. While certain offshore structures remain to be rationalised, the Group will continue to streamline its organisational structure. It plans to close or deregister, in an orderly manner, certain offshore subsidiaries with no substantive operations, further reducing administrative costs and management burden.

2. **Successful Collection of Receivables and Material Improvement in Cash Flow**

   Through the proactive efforts of Management, the Group successfully collected outstanding receivables from prior periods during the year, significantly accelerating cash recovery. This important achievement has substantially strengthened the Group's funding security, improved asset liquidity and its overall cash-flow position, and provided a solid financial foundation for future strategic expansion and business investment.

Analysis of Business Segments

The Group's principal businesses include coal trading, coal transportation by rail, and mining and metallurgical machinery production. Benefiting from industry development and national policy support, the Group remains confident in the prospects for steady business development and will continue to explore various financing arrangements to support business expansion and operational needs. At present, the Group has established a diversified and complementary business layout across several strategic locations:

1. *Xinjiang Business (Core Growth Engine)*

The coal mining business in Turpan, Xinjiang serves as the Group's core operational pillar. Its current progress is closely aligned with national energy strategy priorities. As the importance of Xinjiang's coal industry in China's energy landscape continues to rise, the Group's related business is expected to assume an increasingly important market position. The coal mine holds a mining licence for annual production capacity of 1.2 million tonnes, with resource reserves conservatively estimated at approximately 190 million tonnes. The project has a sound safety and operational foundation. Through diversified financing and cooperation channels, the Group plans to initiate planning and design work for the coal mining project. Going forward, the Group will continue to advance value-chain integration and strive to develop into a comprehensive energy enterprise integrating coal mining, processing and sales.

2. *Mongolian Business (Cornerstone of Stable Profitability)*

The Group's railway platform business in Mongolia has continued to operate efficiently and steadily, serving as a strategic hub for cross-border logistics and trade. This business contributes stable and considerable profits to the Group every year, providing strong and sustained cash-flow support.

3. Shandong Subsidiary (Operational Efficiency Optimisation)

As part of its efforts to strengthen operational management, the Group carried out a comprehensive and detailed restructuring of its Shandong subsidiary. By streamlining the workforce structure and optimising human-resources allocation, it substantially reduced unnecessary operating costs. This initiative not only effectively enhanced the overall operating efficiency and productivity per employee of the Shandong subsidiary, but also demonstrated the Group's determination to respond flexibly to market changes and pursue continuous improvement.

Future Development and Important Trends

Looking ahead to the second half of the year, growth in global electricity demand and computing-capacity demand is expected to support resilient demand for thermal coal and coal used in chemical production. On the supply side, safety supervision and measures to curb involution-style competition are likely to maintain a relatively tight supply-demand balance, providing some downside support for coal prices. The Group will continue to make its Xinjiang business the focus of its development, advance the development and operation of its coal mining projects, and improve overall operating efficiency and the competitiveness of its principal operations. Drawing on its diversified and complementary business layout built around its energy operations, as well as regional advantages closely aligned with national energy strategy priorities, Management will closely monitor policy implementation and market developments, respond prudently to industry volatility, adjust operating strategies flexibly, and seek to translate its strategic initiatives into long-term, sustainable value for the Group.

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.

During the first half of 2026, the global macroeconomic environment demonstrated resilience, though the performance of major equity markets showed significant divergence. In the US market, despite volatile inflation metrics and uncertainty surrounding the Federal Reserve's rate-cut trajectory, equities maintained their upward momentum. This strength was primarily driven by robust corporate earnings and sustained capital inflows into the artificial intelligence (AI) and semiconductor sectors. The S&P 500 and Nasdaq 100 indices posted gains of approximately 9.6% and 20.0%, respectively. Concurrently, regional Asian markets, such as Japan and South Korea, also delivered strong returns on the back of robust demand for AI infrastructure and memory chips.

For the Hong Kong market, following a strong rebound last year, the broader market entered a phase of consolidation and recurring pullbacks in the first half. Early in the year, shifting global capital flows created headwinds for the market. Additionally, investor concerns that the proliferation of AI technology could erode the competitive moats of traditional software and platform economy stocks subjected related sectors to valuation derating (multiple compression). For the six months ended June 30, 2026, the Hang Seng Index gained approximately 10.7%, closing at 22,810 points.

However, equity financing activities in Hong Kong remained highly active. Total capital raised through initial public offerings (IPOs) in the first half reached a substantial HK$208.9 billion, representing a near 100% year-on-year increase. This underscores that the underlying liquidity and corporate fundraising capabilities of the local capital market remain highly robust.

As at 30 June 2026, the fair value of listed securities was HK$19,752,921. The cost of listed investments was HK$45,960,381.

As at 30 June 2026, part of our existing securities portfolio recorded an unrealized loss of HK$4,990,110. Dividend received from listed securities was HK$238,850.

FINANCIAL REVIEW

Revenue of the Group for the six months ended 30 June 2026 amounted to approximately HK$360.4 million, representing a increase of approximately 9.0% when compared with the same period in 2025 (six months ended 30 June 2025: HK$330.7 million). The increase in revenue was primarily due to rise in revenue generated from the production and sales of coals.

The Group's gross profit for the six months ended 30 June 2026 increase by approximately 69.3% to approximately HK$39.1 million when compared with the same period in 2025 (six months ended 30 June 2025: HK$23.1 million). The increase in gross profit was primarily attributable to the increase in revenue of the Group and the recovery of coal prices during the six months ended 30 June 2026.

For the six months ended 30 June 2026, the total administrative and other operating expenses was approximately HK$38.8 million, representing a decrease of approximately 4.7% compared with the same period in 2025 (six months ended 30 June 2025: HK$40.7 million). The decrease in administrative expenses was primarily due to the decrease in staff costs as a result of the Group's cost-control measures.

For the six months ended 30 June 2026, the Group's other gains and losses recorded a gain of approximately HK$1.7 million, compared to a loss of HK$3.5 million recorded in the same period in 2025. This was primarily due to the reversal of impairment loss on trade and other receivables of approximately HK$6.3 million recorded for the six months ended 30 June 2026, compared to an impairment loss on trade and other receivables of HK$5.2 million recorded in the same period of 2025.

For the six months ended 30 June 2026, the profit from operations was approximately HK$3.6 million (loss for six months ended 30 June 2025: HK$20.7 million).

Combining the effects of the above, the Group recorded a loss of approximately HK$5.8 million for six months ended 30 June 2026, when compared with the same period in 2025 (loss for six months ended 30 June 2025: HK$28.5 million).

As at 30 June 2026, the Group held financial assets at FVTPL of approximately HK$19.8 million, wholly comprised of securities listed in Hong Kong. Against the backdrop of a mild recovery in Hong Kong stock market as at 30 June 2026, the fair value loss on financial assets at FVTPL was approximately HK$5.0 million for six months ended 30 June 2026 (fair value gain for six months ended 30 June 2025: HK$1.8 million). The details of financial assets at fair value through profit or loss are set out as follow:

Company Name	Number of shares held as at 30 June 2026	% of shareholding as at 30 June 2026	Unrealized gain/(loss) on fair value change for the year ended 30 June 2026 HK$	Fair value as at 30 June 2026 HK$	Fair value as at 31 December 2025 HK$	% of the Group's total assets as at 30 June 2026	Investment cost HK$	Reasons for fair value loss
Hong Kong Listed Securities								
ASMPT Ltd (0522) *(Note 1)*	11,000	0.00262%	–	**–**	851,950	0.00%	–	–
Baidu, Inc. (9888) *(Note 2)*	1,100	0.00004%	(24,090)	**120,560**	144,650	0.02%	182,700	Drop in share price
Bilibili Inc. (9626) *(Note 3)*	660	0.0002%	(40,392)	**86,922**	127,314	0.02%	391,610	Drop in share price
Cathay Pacific Airways Limited (0293) *(Note 4)*	200,000	0.0033%	4,880	**2,596,000**	–	0.51%	2,591,120	–
China Wantian Holdings Limited (1854) *(Note 5)*	3,840,000	0.1885%	26,500	**3,127,000**	–	0.61%	3,955,200	–
ENN Energy Holdings Limited (2688) *(Note 6)*	10,000	0.0009%	(287,400)	**404,600**	692,000	0.08%	971,495	Drop in share price
Hong Kong Exchanges and Clearing Limited (0388) *(Note 7)*	5,000	0.0004%	(223,000)	**1,815,000**	2,038,000	0.36%	1,799,000	Drop in share price
JD.com Inc. (9618) *(Note 8)*	166	0.00001%	(2,050)	**16,476**	18,526	0.003%	–	Drop in share price
Link Real Estate Investment Trust (0823) *(Note 9)*	75,000	0.0029%	(154,766)	**2,737,500**	–	0.54%	2,892,266	Drop in share price
MEITUAN (3690) *(Note 10)*	350	0.00001%	(12,180)	**23,975**	36,155	0.005%	–	Drop in share price
MTR Corporation Limited (0066) *(Note 11)*	50,000	0.0008%	35,000	**1,525,000**	1,490,000	0.30%	1,517,500	–
Tencent Holdings Limited (0700) *(Note 12)*	3,500	0.00004%	(592,200)	**1,504,300**	2,096,500	0.30%	1,994,750	Drop in share price
Tracker Fund of Hong Kong (2800) *(Note 13)*	80,000	0.0014%	(203,200)	**1,862,400**	2,065,600	0.37%	1,620,800	Drop in share price
HK.AI Capital Limited (1140) *(Note 14)*	17,476,000	0.1499%	(1,520,412)	**1,974,788**	3,495,200	0.39%	24,943,440	Drop in share price
WK Group (Holdings) Limited (2535) *(Note 15)*	2,650,000	0.1325%	(1,996,800)	**1,958,400**	–	0.38%	3,100,500	Drop in share price
Total			(4,990,110)	**19,752,921**	13,055,895	3.89%	45,960,381	

Notes:

1. ASMPT Ltd (HKEx: 0522) — ASMPT 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. Cathay Pacific Airways Limited (HKEx: 0293) — Cathay Pacific Airways Limited is a company mainly engaged in the provision of international passenger and cargo air transportation. Together with its subsidiaries, the Company operates business through its four operating segments. The Cathay Pacific and Cathay Dragon segment provides full service international passenger and cargo air transportation under the Cathay Pacific and Cathay Dragon brands. The Air Hong Kong segment provides express cargo air transportation offering scheduled services within Asia. The HK Express segment provides a low-cost passenger air transportation offering scheduled services within Asia. The Airline Services segment provides supporting airline operations services include catering, cargo terminal operations, ground handling services and commercial laundry operations.

5. China Wantian Holdings Limited (HKEx: 1854) — China Wantian Holdings Limited is an investment holding company principally engaged in the supply of green food materials. The Company operates through three business segments. The Food Supply segment is mainly engaged in the supply of healthy food and food ingredients. The Catering Service segment operates restaurants, primarily providing Western cuisine, Cantonese cuisine, seafood restaurants and other catering services. The Environmental Protection and Technology Service segment combines environmental technology with agricultural technology, develops idle urban spaces into green projects, and brings sky farms to homes, communities, businesses, and schools.

6. 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.

7. 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.

8. 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.

9. Link Real Estate Investment Trust (HKEx: 0823) — Link Real Estate Investment Trust is a Hong Kong-based real estate investment trust (REIT). It is also a constituent of the Hang Seng Index. The investment objectives of the Fund are to deliver sustainable growth and to create long-term value for its unitholders. It invests in a portfolio of properties, including retail facilities, markets, car parks and offices in Hong Kong, Beijing and Shanghai. Its investment properties include Destination Shopping Centers in Hong Kong, Community Shopping Centers in Hong Kong, EC Mall in Beijing and Corporate Avenue in Shanghai, among others. The Fund is managed by Link Asset Management Limited.

10. 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.

11. 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").

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

13. 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.

14. 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.

15. WK Group (Holdings) Limited (HKEx: 2535) — WK Group (Holdings) Ltd is an investment holding company principally engaged in steel structure engineering business. The Company is engaged in the provision of fabrication and forming steel structures and installation of structural steel business. In addition, the Company engages in customized fabricate structural steel tailored and other steel supply business.

Liquidity and Financial Resources

As at 30 June 2026, the Group has bank and cash balances approximately HK$22.6 million (as at 31 December 2025: HK$46.9 million).

The net current liabilities of the Group as at 30 June 2026 amounted to approximately HK$236 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.

Capital structure

As at 30 June 2026, the Company has 583,415,844 shares of HK$0.1 each in issue (31 December 2025: approximately HK$58.34 million).

Charges on the Group's assets

There was no charge on the Group's assets as at 30 June 2026 and 31 December 2025.

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 30 June 2026 (as at 31 December 2025: 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 30 June 2026, the Group had no other significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

Human Resources

As at 30 June 2026, the Group had 79 (as at 31 December 2025: 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 period, 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$12.7 million for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$16.1 million).

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2026.

Constitutional Documents

Reference is made to the announcement of the Company dated 29 May 2026 and the circular of the Company dated 5 June 2026 in relation to the proposed amendments to the existing articles of association of the Company (the "Proposed Amendments").

As disclosed in the poll results announcement of the annual general meeting ("AGM") of the Company dated 30 June 2026, the special resolution in respect of the Proposed Amendments was not passed by the Shareholders at the AGM. For further details, please refer to the announcements of the Company dated 29 May 2026 and 30 June 2026, and the circular of the Company dated 5 June 2026.

To comply with the relevant GEM Listing Rules requirements and applicable regulatory standards, the Company is in the process of attempting to reach out to and engage with the relevant opposing Shareholder(s) to understand their concerns and seek alignment. After obtaining the consent from the relevant opposing Shareholder(s) to agree with the Proposal Amendments, the Board intends to re-submit the Proposed Amendments for Shareholders' approval at an upcoming extraordinary general meeting (the "EGM").

Further announcement(s) will be made by the Company in relation to the EGM and the status of the Proposed Amendments as and when appropriate.

Save as disclosed above, there was no change in the Company's constitutional documents during the six months ended 30 June 2026.

Litigation

As at 30 June 2026, the Group had no significant pending litigation.

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 latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float in accordance with the GEM Listing Rules.

Significant investment, material acquisition and disposal

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

Significant events after the reporting period

There were no significant or material events after the period ended 30 June 2026 and up to the date of this report.

Dividends

The Board did not recommend the payment of any dividend for the six months ended 30 June 2026 (2025: Nil).

UPDATE OF THE GROUP TO ADDRESS THE DISCLAIMER OF OPINION

Reference is made to the section headed "ACTION PLAN OF THE GROUP TO ADDRESS THE DISCLAIMER AND REMOVAL OF DISCLAIMER" set out in the Corporate Governance Report included in the Annual Report 2025 of the Company and the announcement of the Company dated 17 August 2026, the management of the Company would like to provide the following updates with regard to the Disclaimer of Opinion (the "Disclaimer") and Other Modification expressed by the Company's auditors for the Group's financial statements for the year ended 31 December 2025:

Since the publication of the Annual Report and up to the date of this report, the following action has been taken by the Company to improve the Group's liquidity and financial position:

Negotiating with the Company's Bondholder

Subsequent to the publication of the Annual Report 2025 and up to the date of this report, the Company has actively engaged with its bondholder to negotiate more favorable repayment terms with the objective of strengthening the Group's liquidity and financial position. As at the date of this report, the following framework has been agreed upon:

— As previously disclosed in the Annual Report 2025, the aggregate principal amount of the bonds payable, together with related accrued interest, amounted to HK$51,500,000. The bondholder has agreed in principle to grant a concession on the total payable amount, the specific magnitude of which remains subject to final determination.

— As previously disclosed in the Annual Report 2025, the bonds payable and the related accrued interest are currently overdue. The bondholder has agreed to grant the Group an extended repayment schedule. Although the final repayment schedule is still being finalized, it is anticipated that by 31 December 2026, the amount payable by the Group will not be more than HK$10,000,000.

The Group is currently still in ongoing negotiations with the bondholder. Upon final confirmation of the concession magnitude and the repayment schedule, the Company and the bondholder will enter into a formal extension agreement. Execution of this agreement is expected to significantly enhance the Group's liquidity and financial position.

OTHER INFORMATION

1. Directors' and Chief Executives' Interests in the Shares of the Company

The interests of Directors and chief executives of the Company (the "Chief Executives") in the shares of the Company (the "Shares") were as follow:

Name of Directors	Capacity	Number of Shares as at 30 June 2026	Approximate percentage of the total issued Shares as at 30 June 2026
Chen Chun Long	Beneficial owner	6,147,000 *(Note)*	1.05%

Save as disclosed above, as at 30 June 2026, none of the directors or chief executive of the Company had any interest or short position in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Ordinance) which is required to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or any interests required to be entered in the register maintained in accordance with Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors.

Note:

These were shares held by Mr. Chen Chun Long as at 19 June 2019 when he was appointed as joint Chief Executive Officer of the Company. Mr. Chen Chun Long was appointed as an executive director of the Company on 24 July 2025, and redesignated as the Chairman of the Board on 29 May 2026.

2. Interests of Substantial Shareholders in Shares of the Company

As at 30 June 2026, so far as is known to the Directors of the Company, the persons who had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions in Shares and underlying Shares

Name of Shareholders	Capacity and nature of interest	Number of shares	Approximate percentage of the total issued shares as at 30 June 2026
Chan Nap Kee, Joseph	Beneficial Owner	167,263,298	28.67%
Yeung Po Yee, Bonita	Interest of spouse *(Note 1)*	167,263,298	28.67%
Zhang Xiongfeng	Beneficial Owner	81,950,000	14.05%
Wu Mingqin	Interest of spouse *(Note 2)*	81,950,000	14.05%

Notes:

1. These were total number of Shares that Mr. Chan Nap Kee, Joseph ("Mr. Chan") beneficially owned. As the spouse of Mr. Chan, Ms. Yeung Po Yee, Bonita, was taken to be interested in the Shares in which Mr. Chan was interested by virtue of the SFO.

2. These were total number of Shares that Mr. Zhang Xiongfeng ("Mr. Zhang") beneficially owned. As the spouse of Mr. Zhang, Ms. Wu Mingqin, was taken to be interested in the Shares in which Mr. Zhang was interested by virtue of the SFO.

Save as disclosed above, the Directors were not aware of any other person (other than the directors and the chief executives of the Company) who, as at 30 June 2026, had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under provisions of Divisions 2 & 3 of Part XV of the SFO.

3. Share Schemes

Share Award Scheme 2016

The Company adopted the Share Award Scheme 2016 on 14 June 2016 ("Share Award Scheme 2016"). Subject to any early termination as may be determined by the Board by a resolution of the Board, Share Award Scheme 2016 shall be valid and effective for a term of 5 years commencing from the date of the Scheme. The Board shall not make any further award of Awarded Shares which will result in the total number of issued Shares awarded by the Board under Share Award Scheme 2016 exceeding 10% of the total number of issued Shares from time to time.

No shares were purchased by the trustee of the Share Award Scheme 2016 for six months ended 30 June 2026. During the year ended 31 December 2019, the trustee of the Share Award Scheme 2016, pursuant to the terms of the rules and trust deed of the Share Award Scheme 2016, purchased on the Stock Exchange a total of 12,440,000 shares for total consideration of approximately HK$2,976,000. During the year ended 31 December 2018, the trustee of the Share Award Scheme 2016, pursuant to the terms of the rules and trust deed of the Share Award Scheme 2016, purchased on the Stock Exchange a total of 1,170,000 shares for total consideration of approximately HK$395,000. Hence, the total number of shares in the Share Award Scheme as at 30 June 2026 was 13,610,000, represented approximately 2.33% of the issued capital of the Group.

Details of grantees in the Share Award Scheme 2016 are set out below:

Grantee	Date of Award	Number of Awarded Shares	Vesting Date	Closing price of shares on the grant date
17 Selected Employees	2 June 2017	11,305,200	On or before 26 June 2017	HK$0.42
Mr. Chan Nap Kee, Joseph (Former Executive Director)	22 March 2018	3,081,000	22 March 2018	HK$0.325
Mr. Yang Yongcheng (Former Executive Director)	22 March 2018	1,000,000	22 March 2018	HK$0.325

No share was awarded to any director or employee of the Company under the Share Award Scheme during the six months ended 30 June 2026.

As at the date of this report, the Share Award Scheme 2016 is expired. On 14 July 2023, a new share award scheme ("Share Award Scheme 2023") was adopted (the principal terms of which are set out in the Company's circular dated 21 June 2023). It was previously intended that the shares held under the Share Award Scheme 2016 would be transferred to the Share Award Scheme 2023. However, due to the terms and restrictions of the trust deed of the Share Award Scheme 2016, such transfer was not feasible as confirmed by legal advisors of both the trustee and the Company. As such, on 29 July 2026, the trustee of the Share Award Scheme 2016 disposed of all the 13,610,000 shares of the Company on the open market, and the net proceeds from the disposal have been remitted back to the Group as general working capital. After disposal of the entire shares in relation to Share Award Scheme 2016, all legacies of Share Award 2016 have been resolved.

There are no cancelled and lapsed share awards under the Share Award Scheme 2016 and the Share Award Scheme 2023 during the six months ended 30 June 2026.

The Company has not granted any share award to any person under both Share Award Scheme 2016 and Share Award 2023 during the six months ended 30 June 2026.

The number of Awards Shares available for grant under Scheme mandate of the Share Award Scheme 2023 as at the end of reporting period was 44,046,605 Award Shares (assuming no other Scheme options and awards are granted), representing approximately 7.55% of the Company's total number of issued Shares as at the date of this report.

As there were no share awards granted under the Share Award Scheme 2023 during the six months ended 30 June 2026, the Remuneration Committee has not reviewed and approved any material matters relating to the Share Award Scheme 2023.

A summary of the Principal terms of the Share Award Scheme 2023 are as follows:

Purpose

The purpose of the Share Award Scheme 2023 is to recognise the contribution or future contribution of eligible participants for their contribution to the Group, and provide the eligible participants with an opportunity to obtain a proprietary interest in the Company, to provide incentives to the eligible participants to continue contributing to the Company, and enable the Company to attract, recruit, and motivate high-calibre employees and attract human resources that are valuable to the Company.

Who may join

Eligible participants ("Eligible Participants") under the Share Award Scheme 2023 include (i) employee participants, the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted award under the Share Award Scheme 2023 as inducement to enter into employment contracts with any member of the Group) (the "Employee Participants"); and (ii) related entity participants, directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company ("Related Entity Participants").

Maximum entitlement of each participants

No Awards may be granted to any person such that the total number of Shares issued and to be issued upon Awards and other scheme options and awards granted and to be granted to that person in any 12-month period exceeds 1% of any relevant class of the Company's issued share capital from time to time (the "1% Individual Limit"). Any further grant of Awards in excess of the 1% Individual Limit is subject to Shareholders' approval in a general meeting with such grantee and his/her associates abstaining from voting.

Where any grant of Share Awards to a substantial Shareholder (as defined in the GEM Listing Rules), a director of Chief executive of the Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Awards already granted and to be granted excluding any Awards lapsed in accordance with the Scheme Rules to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of securities in issue, such further grant of Awards is subject to Shareholders' approval in a general meeting with such grantee and his/her associates and all core connected persons (as defined in the GEM Listing Rules) of the Company abstaining from voting.

Offer and grant of Share Award

Subject to the terms of the Share Award Scheme 2023, the Board shall be entitled at any time within 10 years from the adoption date of the Share Award Scheme 2023 to offer the grant of a Award to any Eligible Participant as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Award Scheme 2023) determine.

Offer period

An offer of the grant of an Award shall remain open for acceptance by the Eligible Participant concerned for a period of 30 days from the grant date provided that no such grant of an Award may be accepted after the expiry of the effective period of the Share Award Scheme 2023 or after the Share Award Scheme 2023 has been terminated. An Award shall be deemed to have been granted and accepted by the Eligible Participant and to have taken effect when the acceptance comprising acceptance of the offer of the Award duly signed by the grantee on or before the date upon which an offer of an Award must be accepted by the relevant Eligible Participant, being a date no later than 30 days after the offer date.

Vesting Period

The minimum vesting period in respect of any Awarded Shares is twelve (12) months, and the Board or the Remuneration Committee or the Committee (if authorised by the Board) shall have the authority to determine a shorter vesting period in accordance with the terms and conditions of the Scheme Rules.

Term of the Share Award Scheme

The Share Award Scheme 2023 shall be valid and effective for a period of 10 years from 14 July 2023, i.e. until 13 July 2033.

As at 30 June 2026, the Share Award Scheme 2016 was expired. The remaining life of the Share Award Scheme 2023 is 7.03 years.

For details of the Share Award Scheme 2023, please refer to the circular of the Company date 21 June 2023.

Share Option Scheme

The Company has adopted a share option scheme on 14 July 2023 (the "Share Option Scheme") which was approved by the Shareholders of the Company at the extraordinary general meeting held on 14 July 2023.

No share options ("Share Options") were granted, exercised or lapsed under the Share Option Scheme up to 30 June 2026. The number of Share Options available for grant under scheme mandate of the Share Option Scheme as at the end of the reporting period was 44,046,605 Share Options (assuming no other scheme options and awards are granter) representing approximately 7.55% of the Company's total number of issued Shares as at the date of this report. As at 30 June 2026, the Group did not have any outstanding Share Options granted under the Share Option Scheme.

As there were no share options granted under the Share Option Scheme during the six months ended 30 June 2026, the Remuneration Committee has not reviewed and approved any material matters relating to the Share Option Scheme.

A Summary of principal terms of the Share Option Scheme 2023 are as follows:

Purpose

The purpose of the Share Option Scheme is to recognise the contribution or future contribution of the directors and full-time or part-time employees or any members of the Group ("Eligible Participants") for their contribution to the Group, and provide the Eligible Participants with an opportunity to obtain a proprietary interest in the Company, to provide incentives to the Eligible Participants to continue contributing to the Company, and enable the Company to attract, recruit, and motivate high-calibre employees and attract human resources that are valuable to the Company.

Who may join

Eligible participants ("Eligible Participants") under the Share Option Scheme include (i) employee participants, the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted award under the Share Option Scheme as inducement to enter into employment contracts with any member of the Group) (the "Employee Participants"); and (ii) related entity participants, directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company ("Related Entity Participants").

Maximum entitlement of each participants

No share options may be granted to any person such that the total number of shares issued and to be issued upon exercise of Share Options and other scheme options and awards granted and to be granted to that person in any 12-month period exceeds 1% of any relevant class of the Company's issued share capital from time to time (the "1% Individual Limit"). Any further grant of share options in excess of the 1% Individual Limit is subject to shareholders' approval in a general meeting with such grantee and his/her associates abstaining from voting.

Where any grant of share options to a substantial shareholder (as defined in the GEM Listing Rules) or an independent non-executive director of the Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all share options already granted and to be granted (excluding Share Options lapsed in accordance with the scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of securities in issue, such further grant of Share Options is subject to Shareholders' approval in a general meeting with such grantee and his/her associates and all core connected persons (as defined in the GEM Listing Rules) of the Company abstaining from voting.

Offer and grant of Share Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the adoption date of the Share Option Scheme to offer the grant of a share option to any Eligible Participant as the Board may in its absolute discretion select to subscribe at the subscription price for such number of shares as the Board may (subject to the terms of the Share Option Scheme) determine.

Offer Period

An offer of the grant of a Share Option shall remain open for acceptance by the Eligible Participant concerned for a period of 30 days from the grant date provided that no such grant of a share option may be accepted after the expiry of the effective period of the Share Option Scheme or after the Share Option Scheme has been terminated. A share option shall be deemed to have been granted and accepted by the Eligible Participant and to have taken effect when the acceptance comprising acceptance of the offer of the share option duly signed by the grantee on or before the date upon which an offer of a share option must be accepted by the relevant Eligible Participant, being a date no later than 30 days after the offer date.

Vesting Period

The exercise of any share option may be subject to a vesting period to be determined by the Board in its absolute discretion. In any event, the vesting period for a share option under the Share Option Scheme shall not be less than 12 months, except that the share options granted to Eligible Participants may be less than 12 months under the following specific circumstances.

(a) grants of make-whole share options to Eligible participants who newly joined the Group to replace the share options or awards they forfeited when leaving the previous employer;

(b) grants of share options with specific and objective performance-based vesting conditions provided in the rules of the Share Option Scheme;

(c) grants that are made in batches during a year for administrative or compliance reasons (which may include share options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which a share option would have been granted);

(d) grants of share options with a mixed or accelerated vesting schedule such as where the share option may vest evenly over a period of twelve (12) months; and

(e) grants of share options with a total vesting and holding period of more than twelve (12) months.

Exercise Price

The exercise price shall be a price determined by the Board and notified to a Eligible participant and shall be at least the higher of:

(a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and

(b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the grant date.

Term of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from 14 July 2023, i.e. until 13 July 2033. As at 30 June 2026, the remaining life of the Share Option Scheme is 7.03 years.

For details of the Share Option Scheme, please refer to the Company's circular dated 21 June 2023.

4. Directors' Interest in Competing Business

None of the Directors or their respective associates (as defined in GEM Listing Rules) had any interests in any business which compete or may compete with the Group or any other conflicts of interest with the Group.

5. Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its listed securities (including sale of treasury shares, if any).

CORPORATE GOVERNANCE

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

The Board has established the following committees with written terms of reference which are in line with the Corporate Governance Code (the "CG Code") and Corporate Governance Report stated in Appendix C1 of the GEM Listing Rules. Details of written terms of reference are available on the Company's website: www.kaisun.hk under "Investor Relations" section with heading of "Corporate Governance":

- Audit Committee
- Remuneration Committee
- Nomination and Corporate Governance Committee

All the committees comprise a majority of independent non-executive Directors. Each of the Audit Committee, Remuneration Committee and Nomination and Corporate Governance Committee of the Company is chaired by an independent non-executive Director.

1. Audit Committee

The Company established the audit committee (the "Audit Committee") with written terms of reference that sets out the authorities and duties of the committee.

The Audit Committee comprises one non-executive director, namely Ms. Liu Chenzi and three independent non-executive directors, namely Mr. Ng Ping Yuen, Mr. Leung Kim Hung, Andy and Mr. Leung Kar Fai, and Mr. Ng Ping Yuen is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group and provide an important link between the Board and the Company's auditors on those matters within the scope of the Group's audit. It also reviews the effectiveness of the external and internal audit and conducts risk evaluation.

The Group's unaudited financial statements for the six months ended 30 June 2026 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with applicable accounting standard and legal requirements, and that adequate disclosures have been made. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

2. Code on Corporate Governance Practices

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 six months ended 30 June 2026 except the following deviation.

Rule 5.05(1) of the GEM Listing Rules — Minimum Number of Independent Non-Executive Directors

Following the appointment of two independent non-executive Directors on 7 November 2025, the Board comprised two independent non-executive Directors at the beginning of the reporting period, which fell below the minimum requirement of three independent non-executive directors under Rule 5.05(1) of the GEM Listing Rules.

On 29 May 2026, Mr. Leung Kar Fai was appointed as an independent non-executive Director. Following his appointment, the Board comprises three independent non-executive Directors, and the Company has re-complied with the minimum requirement under Rule 5.05(1) of the GEM Listing Rules.

Save as disclosed above, the Company has complied with all applicable code provisions set out in the CG Code during the six months ended 30 June 2026.

3. Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the Directors 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 six months ended 30 June 2026. 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 the Directors.

4. Review of Risk Management and Internal Control Effectiveness

The Board has conducted a review of the effectiveness of the Group's risk management and internal control systems for the six months ended 30 June 2026, covering material financial, operational and compliance controls, and considered that the Group's risk management and internal control systems are effective and adequate.

By order of the Board
KAISUN HOLDINGS LIMITED
Chen Chun Long
Chairman

Hong Kong, 31 August 2026

The English text of this report 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, Mr. Leung Kim Hung, Andy and Mr. Leung Kar Fai.

This report 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).