KAISUN HOLDINGS LIMITED
凱 順 控 股 有 限 公 司

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

ANNOUNCEMENT OF THE AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

* *for identification purpose only*

AUDITED ANNUAL RESULTS

Reference is made to the announcement of Kaisun Holdings Limited (the "Company", together with its subsidiaries, the "Group") dated 31 March 2022 in relation to the unaudited annual results of the Group for the year ended 31 December 2021 (the "Unaudited Annual Results Announcement").

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce that the auditing process of the annual results of the Group for the year ended 31 December 2021 has been completed. As certain adjustments have been made to the figures as contained in the Unaudited Annual Results Announcement, the differences between the unaudited annual results and the audited annual results contained in this announcement are set out in the section headed "Material Differences between 2021 Unaudited and Audited Annual Results".

The audited consolidated financial results for the year ended 31 December 2021 together with the comparative figures for the year ended 31 December 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Note	**2021** ***HK$'000***	2020 *HK$'000*
Revenue	5	**156,576**	35,958
Cost of goods sold		**(149,591)**	(22,585)
Gross profit		**6,985**	13,373
Gain on disposal of financial assets at fair value through profit or loss ("FVTPL")		**3,590**	1,000
Fair value loss on financial assets at FVTPL		**(5,485)**	(18,139)
Fair value (loss)/gain on financial liabilities at FVTPL		**(4,474)**	6,347
Impairment loss on trade and other receivables		**(3,372)**	(4,762)
Impairment loss on investment in associates		**—**	(1,959)
Impairment loss on goodwill		**—**	(1,118)
Impairment loss on property, plant and equipment		**(7,814)**	—
Impairment loss on right-of-use assets		**(308)**	—
Property, plant and equipment written off		**(81)**	—
Recovery income from trade and other receivables previously written off		**—**	161
Reversal of impairment loss on intangible assets		**24,714**	—
Exploration expenses		**(18,228)**	—
Other gains and losses		**990**	563
Administrative and other operating expenses		**(58,755)**	(60,229)
Loss from operations		**(62,238)**	(64,763)
Finance costs		**(6,348)**	(4,942)
Loss before tax		**(68,586)**	(69,705)
Income tax (expense)/credit	6	**(2,697)**	5,438
Loss for the year		**(71,283)**	(64,267)

	Note	**2021**	2020
		HK$'000	*HK$'000*
Attributable to:			
Owners of the Company		**(66,178)**	(60,295)
Non-controlling interest		**(5,105)**	(3,972)
		(71,283)	(64,267)
Loss per share (cents)			
Basic	9	**(11.48)**	(10.46)
Diluted	9	**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

	2021	2020
	HK$'000	*HK$'000*
Loss for the year	**(71,283)**	(64,267)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")	**(1,700)**	—
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**5,590**	4,900
Other comprehensive income for the year, net of tax	**3,890**	4,900
Total comprehensive income for the year	**(67,393)**	(59,367)
Attributable to:		
Owners of the Company	**(63,177)**	(50,288)
Non-controlling interests	**(4,216)**	(9,079)
	(67,393)	(59,367)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	**2021**	2020
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**34,780**	12,650
Right-of-use assets		**14,379**	15,490
Goodwill		**—**	—
Intangible assets	10	**128,035**	110,369
Exploration and evaluation assets	11	**53,906**	56,029
Investment in associates		**—**	—
Financial assets at FVTOCI		**17,400**	19,100
Long-term deposits		**—**	20,000
Deferred tax assets		**7,078**	6,173
		255,578	239,811
Current assets			
Inventories		**8,416**	6,996
Financial assets at FVTPL		**19,205**	36,293
Trade and bills receivables	12	**23,894**	27,284
Deposits, prepayments and other receivables		**24,134**	19,074
Deposits in a licensed corporation		**28,883**	13,979
Bank and cash balances		**8,279**	10,353
		112,811	113,979
Current liabilities			
Trade payables	13	**4,150**	5,312
Other payables and accruals		**164,945**	130,423
Contract liabilities		**40,982**	—
Bonds payables		**50,000**	50,000
Other financial liabilities		**29,681**	14,713
Lease liabilities		**1,012**	1,231
Redeemable convertible preference shares		**541**	525
Current tax liabilities		**3,657**	4,132
		294,968	206,336
Net current liabilities		**(182,157)**	(92,357)
Total assets less current liabilities		**73,421**	147,454

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2021

	2021	2020
	HK$'000	*HK$'000*
Non-current liabilities		
Other financial liabilities	**11,457**	21,951
Lease liabilities	**826**	1,390
Deferred tax liabilities	**30,379**	26,013
	42,662	49,354
NET ASSETS	**30,759**	98,100
Capital and reserves		
Share capital	**57,657**	57,657
Reserves	**(45,868)**	17,494
Equity attributable to owners of the Company	**11,789**	75,151
Non-controlling interests	**18,970**	22,949
TOTAL EQUITY	**30,759**	98,100

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, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

2. BASIS OF PREPARATION AND GOING CONCERN

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

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

The Group incurred a loss of approximately HK$71,283,000 during the year ended 31 December 2021 and, as of that date, the Group had net current liabilities of approximately HK$182,157,000.

The Group had defaulted in repayment of its bonds payable with a principal amount of HK$50,000,000 and the accrued interest of approximately HK$11,022,000 when they fell due on 23 August 2021.

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

The directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance to continue as going concern. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering the next twelve months from 31 December 2021 prepared by the management of the Company; and after taking into consideration the following:

(i) having regard to the gradual resumption of the normal business activities of the Group following the easing of the COVID-19 Pandemic, the directors believe that the Group will be able to generate sufficient cash flows from operations;

(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 matured bond payables of HK$50,000,000 and the accrued interest of approximately HK$11,022,000; and

(iii) consideration of future fund raising activities of the Company in the open stock market.

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

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Application of new and revised IFRSs

The Group has applied the following amendments to IFRSs issued by the International Accounting Standard Board for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16	Interest rate Benchmark Reform — Phase 2
Amendment to IFRS 16	COVID-19-Related Rent Concessions

Except as described below, the application of the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform — Phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("IBOR reform").

The amendments do not have material impact on the Group's financial positions and performance for the current and prior years and/or no the disclosures set out in these consolidated financial statements.

Amendment to IFRS 16, COVID-19-Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("COVID-19 Related Rent Concessions") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The application of the amendments had no impact on the consolidated financial statements.

(b) New and revised IFRSs in issue but not yet effective

Other than the amendments to IFRS 16, COVID-19 Related Rent Concessions beyond 30 June 2021, the Group has not applied any new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2021. These new and revised IFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 16 Lease — COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 3 Business Combination — Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property Plant and Equipment — Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRSs 2018–2020 Cycle	1 January 2022
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS I Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes — Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair value, at the end of each reporting period.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

5. REVENUE

Disaggregation of revenue

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

	2021	2020
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
Sales of goods:		
— Provision of supply chain management services for mineral business	**123,540**	4,813
— Mining and metallurgical machineries products	**13,685**	20,065
Provision of services:		
— Logistics services for mineral business	**7,068**	5,597
— Organising eSports events	**390**	421
— Corporate services business	**1,347**	1,792
— Media services	**296**	462
— Trust and trustee services	**2,732**	2,288
— Event management services	**7,518**	520
	156,576	35,958

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

For the year ended 31 December	Provision of supply chain management services for mineral business		Mining and metallurgical machineries products		Logistics services for mineral business		Organising eSports event		Corporate service business		Media services		Trust and trustee services		Event management services		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Primary geographical markets																		
— Hong Kong	—	—	—	—	—	—	—	—	**1,347**	1,792	**296**	462	**2,732**	2,288	**7,518**	520	**11,893**	5,062
— PRC except Hong Kong	**123,540**	4,813	**13,685**	20,065	**7,068**	5,597	—	—	—	—	—	—	—	—	—	—	**144,293**	30,475
— Dubai	—	—	—	—	—	—	—	421	—	—	—	—	—	—	—	—	—	421
— Others	—	—	—	—	—	—	**390**	—	—	—	—	—	—	—	—	—	**390**	—
Revenue from external customer	**123,540**	4,813	**13,685**	20,065	**7,068**	5,597	**390**	421	**1,347**	1,792	**296**	462	**2,732**	2,288	**7,518**	520	**156,576**	35,958
Timing of revenue recognition																		
Products transferred at a point in time	**123,540**	4,813	**13,685**	20,065	**7,068**	5,597	—	—	**529**	311	**296**	271	**2,098**	2,218	**2,426**	—	**149,642**	33,275
Products and services transferred over time	—	—	—	—	—	—	**390**	421	**818**	1,481	—	191	**634**	70	**5,092**	520	**6,934**	2,683
Total	**123,540**	4,813	**13,685**	20,065	**7,068**	5,597	**390**	421	**1,347**	1,792	**296**	462	**2,732**	2,288	**7,518**	520	**156,576**	35,958

6. INCOME TAX EXPENSE/(CREDIT)

	2021	2020
	HK$'000	*HK$'000*
Current tax — PRC		
Under-provision in prior years	**158**	102
	158	102
Deferred tax	**2,539**	(5,540)
	2,697	(5,438)

Under the two-tiered Profits Tax regime, the first HK$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%.

PRC Enterprise Income Tax has been provided at a rate of 25%.

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.

No provision for the Hong Kong Profit Tax is required since the Group has no assessable profit for the year.

7. LOSS FOR THE YEAR

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

	2021	2020
	HK$'000	*HK$'000*
Auditor's remuneration	**2,800**	2,800
Cost of inventories sold of coal mining business	**137,114**	16,257
Depreciation on property, plant and equipment	**846**	1,000
Depreciation on right-of use assets	**1,724**	1,849
Amortisation of intangible assets (included in administrative and other operating expenses)	**10,936**	10,190
Recovery income from trade and other receivables previously written off	**—**	(161)
Loss on disposal of property, plant and equipment	**—**	26
Gain on disposal of financial assets at FVTPL	**(3,590)**	(1,000)
Gain on disposal of associates	**(293)**	—
Fair value loss on financial assets at FVTPL	**5,485**	18,139
Fair value loss/(gain) on financial liabilities at FVTPL	**4,474**	(6,347)
Impairment loss on trade and other receivables	**3,372**	4,762
Reversal of impairment loss on intangible assets	**(24,714)**	—
Impairment loss on property, plant and equipment	**7,814**	—
Impairment loss on right-of-use assets	**308**	—
Impairment loss on investment in associates	**—**	1,959
Impairment loss on goodwill	**—**	1,118
Property, plant and equipment written off	**81**	—
Net exchange loss	**1**	14

8. DIVIDEND

No dividend has been paid or declared by the Company for the years ended 31 December 2021 and 2020.

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the following:

	2021	2020
	HK$'000	*HK$'000*
Loss for the purpose of calculating basic loss per share	**(66,178)**	(60,295)

	2021	2020
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**576,566,055**	576,566,055

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary sharing during the year ended 31 December 2020 and 2021.

10. INTANGIBLE ASSETS

	Mining rights
	HK$'000
Cost	
At 1 January 2020	166,365
Exchange differences	10,265
At 31 December 2020 and 1 January 2021	176,630
Exchange differences	5,839
At 31 December 2021	182,469
Accumulated amortisation and impairment losses	
At 1 January 2020	52,266
Amortisation for the year	10,190
Exchange differences	3,805
At 31 December 2020 and 1 January 2021	66,261
Amortisation for the year	10,936
Reversal of impairment loss	(24,714)
Exchange differences	1,951
At 31 December 2021	54,434
Carrying amount	
At 31 December 2021	128,035
At 31 December 2020	110,369

At 31 December 2021, 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 lives of mining rights.

The directors carried out reviews of the recoverable amount of its mining rights for the year ended 31 December 2021. These assets are used in the Group's coal mining business segment. The review led to the recognition of a reversal of impairment loss of approximately HK$24,714,000 (2020: nil) for mining rights that have been recognised in profit or loss. The recoverable amount of approximately HK$128,035,000 for the relevant assets has been determined on the basis of their value in use using discounted cash flow method. The discount rate used was 29.2% (2020: 25.30%).

The reason for such reversal of impairment loss was mainly attributable to (i) the effect of change of estimated long-flame coal prices due to the significant increase of the prices during the current year as compared to previous year; and (ii) the demand of long-flame coal continued to be high in the current year. This has caused in favorable coal market condition. All these reasons have had significant impact on the value in use assessment for the current year with an increase in cash flows expected to be received.

11. EXPLORATION AND EVALUATION ASSETS

	Exploration and evaluation assets *HK$'000*
At 1 January 2020	—
Transferred from construction in progress	9,759
Additions	43,251
Exchange differences	3,019
At 31 December 2020 and 1 January 2021	56,029
Additions	8,281
Exploration expenses recognised	(12,189)
Exchange differences	1,785
At 31 December 2021	53,906

Exploration and evaluation assets include the cost of mining and exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources.

During the year ended 31 December 2020, the Group obtained a mineral exploration license with a mining area of 7.35 km^2 located in Xinjiang, PRC. The exploration license has a legal life of 5 years ending in August 2025. The mining area is under the exploration and evaluation stage as at 31 December 2021 and the exploration and evaluation assets is not subject to amortisation until it can be reasonably ascertained that the mining area is capable of commercial production and the exploration license is transferred to mining right.

12. TRADE AND BILLS RECEIVABLES

	2021 ***HK$'000***	2020 *HK$'000*
Trade receivables	**66,329**	72,953
Allowance for doubtful debts	**(43,333)**	(46,310)
	22,996	26,643
Bills receivables	**898**	641
	23,894	27,284

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

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

	2021	2020
	HK$'000	*HK$'000*
0–30 days	**2,680**	16,376
31–60 days	**1,944**	2,718
61–90 days	**5,100**	2,794
91 days-1 year	**12,003**	7,578
Over 1 year	**45,500**	44,128
	67,227	73,594

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

	2021	2020
	HK$'000	*HK$'000*
HK$	**1,479**	323
RMB	**22,415**	26,961
	23,894	27,284

13. TRADE PAYABLES

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

	2021	2020
	HK$'000	*HK$'000*
0–30 days	**805**	3,027
31–60 days	**—**	1,180
61–90 days	**—**	135
91–180 days	**2,916**	442
Over 365 days	**429**	528
	4,150	5,312

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

14. SEGMENT INFORMATION

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

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

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

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements.

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

	Coal mining business segment *HK$'000*	**Consulting and media service business segment** *HK$'000*	**Corporate and investment business segment** *HK$'000*	**Total** *HK$'000*
Year ended 31 December 2021				
Revenue from external customers	**144,293**	**12,163**	**120**	**156,576**
Segment loss	**(42,777)**	**(797)**	**(27,709)**	**(71,283)**
Interest revenue	**13**	**—**	**—**	**13**
Interest expenses	**1,292**	**32**	**5,024**	**6,348**
Depreciation and amortisation	**13,005**	**75**	**426**	**13,506**
Income tax expense/(credit)	**3,602**	**—**	**(905)**	**2,697**
Other material items of income and expense:				
Staff costs	**11,662**	**4,156**	**9,850**	**25,668**
Other material non-cash items:				
Impairment loss on trade and other receivables	**2,096**	**10**	**1,266**	**3,372**
Impairment loss on property, plant and equipment	**7,814**	**—**	**—**	**7,814**
Impairment loss on right-of-use assets	**—**	**286**	**22**	**308**
Reversal of impairment loss on intangible assets	**(24,714)**	**—**	**—**	**(24,714)**
Additions to segment non-current assets	**38,822**	**367**	**—**	**39,189**
As at 31 December 2021				
Segment assets	**291,220**	**4,323**	**72,832**	**368,375**
Segment liabilities	**172,384**	**3,532**	**156,666**	**332,582**

	Coal mining business segment *HK$'000*	Consulting and media service business segment *HK$'000*	Corporate and investment business segment *HK$'000*	Total *HK$'000*
Year ended 31 December 2020				
Revenue from external customers	30,475	5,046	437	35,958
Segment loss	(27,039)	(3,404)	(33,824)	(64,267)
Interest revenue	145	—	—	145
Interest expenses	119	15	4,808	4,942
Depreciation and amortisation	12,328	—	711	13,039
Income tax credit	2,445	—	2,993	5,438
Other material items of income and expense:				
Staff costs	9,240	3,730	10,844	23,814
Other material non-cash items:				
Impairment loss on/(reversal of impairment loss on) trade and other receivables	3,962	(7)	807	4,762
Impairment loss on goodwill	—	1,118	—	1,118
Impairment loss on investment in associates	—	—	1,959	1,959
Additions to segment non-current assets	43,300	—	—	43,300
As at 31 December 2020				
Segment assets	271,473	3,686	78,617	353,776
Segment liabilities	113,783	2,162	134,697	250,642
Investment in associates	—	—	—	—

Reconciliations of segment assets and liabilities:

	2021 ***HK$'000***	2020 *HK$'000*
Assets		
Total assets of reportable segments	**368,375**	353,776
Assets relating to discontinued operations	**14**	14
Consolidated total assets	**368,389**	353,790
Liabilities		
Total liabilities of reportable segments	**332,582**	250,642
Liabilities relating to discontinued operations	**5,048**	5,048
Consolidated total liabilities	**337,630**	255,690

Geographical information:

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

Non-current assets

	2021	2020
	HK$'000	*HK$'000*
Hong Kong	**9**	20,511
Mongolia	**22,250**	—
PRC except Hong Kong	**208,841**	194,027
Consolidated total	**231,100**	214,538

Revenue from major customers:

	2021	2020
	HK$'000	*HK$'000*
Coal mining business segment		
Customer a *(note i)*	**67,137**	N/A
Customer b *(note ii)*	**N/A**	5,778
Customer c *(note ii)*	**N/A**	3,938
Customer d *(note ii)*	**N/A**	3,686

(i) Customers a did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2020.

(ii) Customer b, c and d did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2021.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification was considered to provide more appropriate presentation of the state of affairs of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

KAISUN ENERGY GROUP

Mining, Manufacturing of Machinery & Supply

i. Shandong — Mining and Metallurgical Machinery Production

Tengzhou Kaiyuan Industrial Co., Ltd. ("Tengzhou Kaiyuan"), a joint venture of a subsidiary company of the Group, specializes in mining and metallurgical machinery production and owns 50 sets of safety certificates for mining products. Its major products are overhead manned cableway devices and its accessories, as well as technical consultancy services including equipment installation, technical support and after-sales services.

Analysis on China's mining machinery manufacturing industry in 2021

In mid-2021, an energy shortage across a number of provinces saw homes and businesses hit by power cuts. Since the third quarter, government departments and coal enterprises in the various parts of Mainland have introduced measures to support coal production and price stability, which helped increase coal production and market supply in China, with the highest daily coal production reaching 11.93 million tonnes, a record high in recent years. In addition, electric coal supply and coal stocks in power plants continued to increase, with railway loading of electric coal remained at a record high of over 60,000 cars and more than 35% year-on-year increase since November. The average daily supply of coal to power plants since November reached 7.74 million tonnes, with stocks increasing by an average of 1.6 million tonnes per day.

The Group believes that with the release of coal mine nuclear production, the gradual commissioning of construction coal mines and the resumption of production of temporary coal mines, the domestic demand for mining machineries and equipment is expected to increase, which will drive Tengzhou Kaiyuan's business growth.

(Data from: http://www.gov.cn/xinwen/2021−11/10/content_5649999.htm)

Tengzhou Kaiyuan Highlights for the year

- Tengzhou Kaiyuan strives to improve the slow collection of accounts receivable. A task force was set up in the 2nd quarter and it began working on adjusting accounts receivable collection period, reducing turnover period and enhancing the efficiency of capital in the 3rd quarter.

- Tengzhou Kaiyuan has restructured its internal management in the 2nd quarter and formed a new management team in order to improve operation efficiency. The management team has been led by a new chairman and general manager since the 3rd quarter, who successfully revamped the organizational structure and changed the inventory and financial processes to improve the management quality and efficiency.

- Tengzhou Kaiyuan successfully achieved its year-end targets by increasing sales and monthly accounts receivable recoveries, reducing production costs and the time required for inventory movement. Despite improvements in operations, inventory management and financial management, Tengzhou Kaiyuan recorded a loss in 2021, with an accumulated sales revenue of approximately HK$13.68 million for the year, due to COVID-19, the impact of the winter coal shortages and power cut, as well as previous internal management changes.

Daily operations of Tengzhou Kaiyuan

ii. Shandong — Supply Chain Management Services

Shandong Kailai Energy Industrial Co., Limited ("Shandong Kailai") is a joint venture between a subsidiary of the Company and Shandong Bayi Coal Electrochemical Co., Ltd.

Shandong Kailai Energy Industrial Co., Limited ("Shandong Kailai") specializes in coal supply chain management, warehouse and logistics management as well as loading and unloading service. It has the right to use a section of railway permitted by China's Jinan Railway Bureau. Shandong Kailai's logistics centre enjoys favorable geographical advantage as it is located at China's railway hub with a number of state-owned enterprises nearby. At present, Shandong Kailai's logistics centre, including its environmental protection facilities and storage centre, boasts a total area of 110,000m^2, with an annual loading capacity of 3 million tons.

Analysis on China's coal rail transportation in 2021

In 2021, the supply and demand for coal in the Mainland continued to be tight, with energy prices rising sharply that caused power cuts and restrictions in some areas. The onslaught of cold weather, coupled with severe flooding in Shanxi, a major coal production province, led to unstable coal supply in the Mainland.

In order to protect the economy and people's livelihood, the mainland authorities have placed more emphasis on the coal transportation for power and heat generation, and coal-fired power companies have stepped up efforts to reserve coal to ensure the return of normal coal supply. According to China Railway Group, after unremitting efforts since the launch of operation to ensure steady coal supply in October 2021, the average number of days of coal storage in direct power supply plant has increased from 7 days to 12 days, 15 days and then more than 18 days, which help relieved the urgent need for coal from coal-fired power plants. At the same time, China Railway Group organized point-to-point supply and transportation for 18 power plants in Shandong and Jiangsu with relatively low days of coal availability.

The Group believes that the central government has found solutions to increase coal supply and improve its supporting facilities following the power restriction crisis, including introducing targeted coal transportation measures that cater to the needs of different provinces, which would bring a positive impact to Shandong Kailai's coal supply chain business.

(Data from: https://www.china5e.com/news/news-1128273–1.html)

Shandong Kailai for the year

- Shandong Kailai's fully-enclosed and environmentally friendly storage centre located at the eastern platform commenced operations in the 1st and 2nd quarter, which helps suppress dust pollution, promote the concept of sustainable development, meet EIA standards and fulfil corporate social responsibility.

- Shandong Kailai planned to increase its business scale in the 2nd quarter by adding new business partners, including coal suppliers and power stations, and held discussions with the partners in the 3rd quarter with a view to increasing trading volume and expanding the coal supply management market.

- In order to achieve higher environmental standards, Shandong Kailai placed emphasis on improving the station facilities in the 4th quarter, including building more sheds, updating the feasibility study reports and temporarily suspending operations for the quarter to allow for the expansion of the station. Shandong Kailai also capitalised on its prime location and partnered with a local company in the 4th quarter to establish a subsidiary to help quickly penetrate the local market, promote local sales and expand the sales network.

- Since Shandong Kailai's partners are mainly state-owned enterprises, the collection of accounts receivable remains stable. Tengzhou Kailai recorded a cumulative sales revenue of approximately HK$130.61 million for the year 2021.

Shandong Kailai's fully-enclosed environmentally friendly storage centre

Daily operations of Shandong Kailai

iii. Xinjiang — Coal Exploitation Business (wholly owned subsidiary of Shandong Kailai)

Xinjiang Turpan Xingliang Mining Co., Limited ("Xingliang Mine") is a wholly owned subsidiary of Shandong Kailai. It is located in Qiquanhu Town, Turpan City within the Tuha coal field area, which is one of the four major coal fields in Xinjiang province. Xingliang Mine primarily contains long-flame coal, which is mainly used by power plants and chemical industries. In 2018, Xingliang Mine signed an integrity agreement with Turpan Gaochang District Government for the consolidation of nearby small-scale mines, with Xingliang Mine as the main body of the consolidation project.

To facilitate the consolidation project, Xingliang Mine was granted a prospecting license of 1.2 million tons on 11 August 2020. In addition, Xingliang Mine's application for the coal fire extinguishment work has been approved within this year, and a cooperation agreement has been reached with the subcontractor for the project, which helped kickstarted the project in the 3rd quarter of 2021.

Analysis of Xinjiang's coal industry in 2021

As China's coal supply security policies continue to take effect, coal output continues to increase. Xinjiang produced 319.92 million tonnes of coal in 2021, up 18.3% year-on-year; raw coal sales increased by 14.6%, and coal stocks in year-end were essentially unchanged with 0.2% increase, latest data from Xinjiang Bureau of Statistics shows.

In addition, according to the State Grid Xinjiang Electric Power Co Ltd., Xinjiang transmitted a record 122 billion kilowatt-hours of locally generated electricity to other parts of China in 2021, up over 16% year-on-year. Since the launch of the power transmission project in 2010, the annual transmission volume has risen 40 times from 3 billion kWh in 2010 to over 122 billion kWh in 2021, showcasing the rapid development of Xnijiang's coal and power industry.

The Group believes that China's coal mining hub has been gradually shifting towards Xinjiang, with gradual improvement in the region's already well-developed mining infrastructure. Under the nation's macro-policy support and the rise in demands for coal and electricity within the region, Xingliang Mine will generate a steady stream of revenue and profit for the Group.

(Data from: http://www.news.cn/local/2022–01/10/c_1128248894.htm)

Xingliang Mine for the year

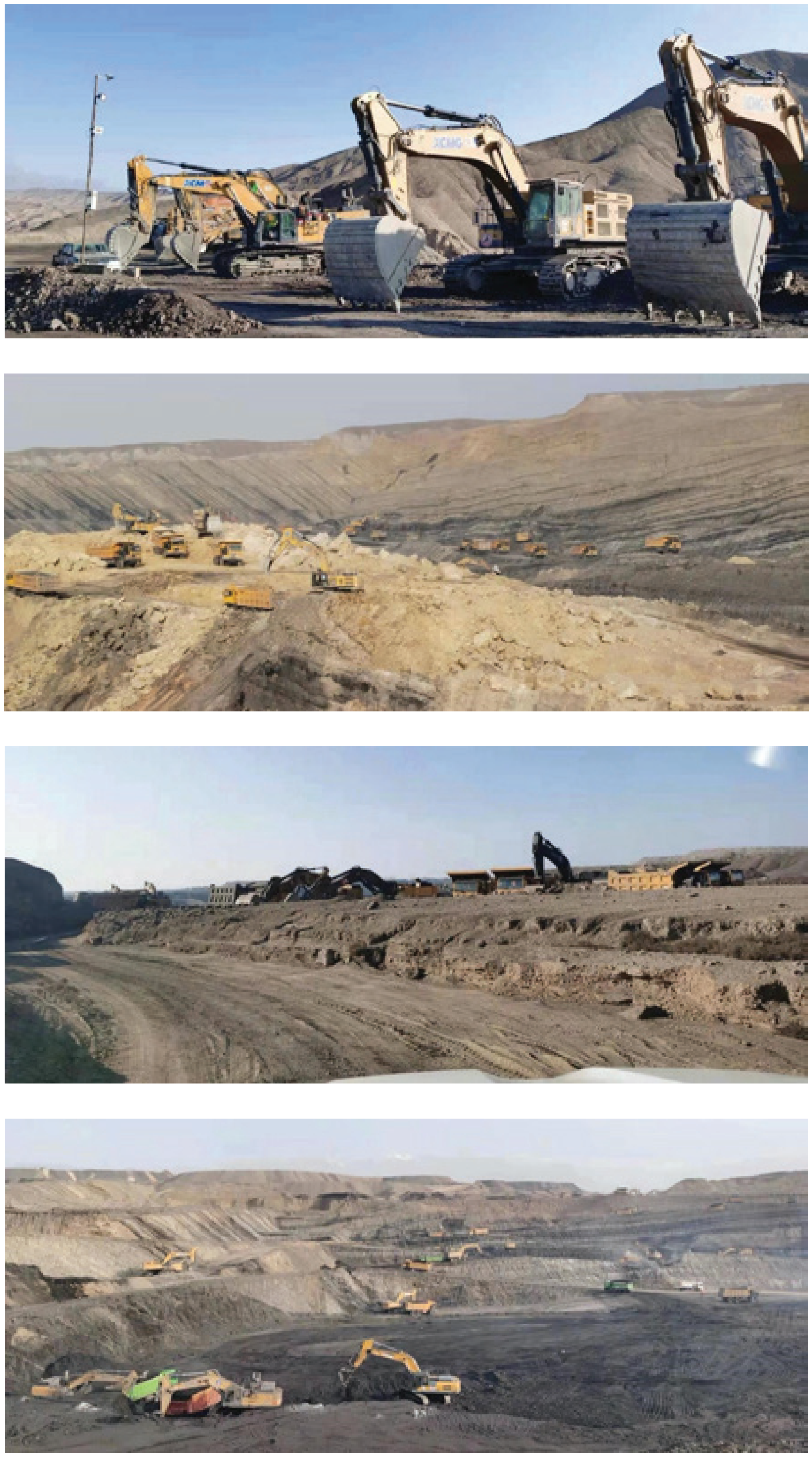
- To prepare for the coal fire extinguishment project, the construction team of Xingliang Mine started preliminary infrastructure works in the 1st and 2nd quarter, including leveling the road of the coal yard and building new staff quarters, with the view to increasing the size of the administrative zone of the mine. In addition, the construction team was on standby at the mine, with various types of construction equipment ready, while implementing strict safety standards to reduce safety risks.

- After final review, Xingliang Mine received approval from the Turpan Gaochang District Government in the 3rd quarter for the coal fire extinguishment project on 1 September 2021 and completed the tendering process for the coal fire extinguishment works on 2 September 2021. The tender for Xingliang Mine's coal fire extinguishment project was awarded to Exploration Team 156 of the Xinjiang Coalfield and Geological Bureau. The works will be carried out in the form of stripping and levelling and are expected to generate coal from the process.

- Xingliang Mine had its electricity and water fully connected in the 4th quarter throughout the whole mining area, which helped facilitate the work of the construction team. The construction team has also started the coal fire extinguishment works, including excavation and separation works to differentiate coal among other materials.

- Xingliang Mine has been preparing the applications for the mining license of 1.2 million tons, and expects to obtain approval by mid-2022.

Construction team and its equipment



Excavation and separation works by the construction team

iv. Mongolia — Supply Chain Management Business

The railway logistics platform in Choir, Mongolia, is located at a strategically important conduit between Russia and China, and has a unique geographical advantage on the trilateral trade between China, Mongolia and Russia. The railway logistics platform covers a total area of 35,000m^2 with an annual loading capacity of 1.8 million tons. It mainly provides loading and unloading services, customs declaration, warehousing and logistics services.

Analysis of Mongolia's mining industry amid COVID-19 pandemic in 2021

In 2021, the spread of COVID-19 and the subsequent closure of borders between China and Mongolia heavily disrupted the coal supply of Mongolia. Mongolia's coal production in December 2021 slumped 59.57% year-on-year but rose 3.36% compared to that of last month. However, from January to December, the coal production of Mongolia dropped 29.6% year-on-year to 30.12 million tonnes in 2021, data from the National Statistical Office of Mongolia showed.

Despite recurring COVID-19 in Mongolia and slowdown in coal exports, the Group remains full faith in the medium to long-term potential of Mongolia's coal industry. The power crisis in China highlighted its reliance on coal imports, and with the trade tensions between China and Australia, together with the uncertainties following the Russia-Ukraine conflict, the Group expects China to capitalise on its geographical advantage with Mongolia to increase coal imports from Mongolia, which would increase bilateral ties and benefit the business development of Choir Logistics Centre in the long run.

(Data from: http://www.coalchina.org.cn/index.php?m=content&c=index&a=show&catid=44&id=135207)

Choir Project for the year

- As Mongolia's COVID-19 situation remains severe, the government's strict COVID-19 regulations remain in place, including the closure of land borders, which prevented the Group's management team from being able to handle the issues on-site. Therefore, the Group was unable to reach a consensus with the vendor regarding the fulfilment clause for the acquisition of Choir Logistics Centre and complete the acquisition in the 1st and 2nd quarter.

- The Group brought in Sainsaikhan Consulting Services LLC as the constructor, operator and strategic subcontractor of the Choir project. The strategic subcontracting partnership is intended to utilize Sainsaikhan's local contacts and management experience to create mutual benefits and help resolve the legal dispute through discussions with the vendor to expedite the commissioning of the station operation.

- Sainsaikhan will employ local staff and technicians to manage day-to-day operations, which helps reduce operating expenses and capital expenditure.

- Through negotiations, the Group reached a consensus with the vendor regarding the fulfilment clause and formally completed the acquisition of Choir Logistics Centre on 30 December 2021 in the 4th quarter. As the Group's management team was still unable to manage the project on-site, our partner Sainsaikhan will execute the completion agreement on our behalf. Our partner will conduct electricity connection works, track repairing works and renewal formalities for the rights to use the railway as soon as possible.

AGRICULTURAL INVESTMENT AND DEVELOPMENT

Kaisun Group continues to provide professional guidance and service on internal control and audit to support the business development of Cheung Lee Agricultural Co., Limited ("Cheung Lee") such as daily operation, financial control, legal advice and development in other aspects.

Over the past two decades Cheung Lee has evolved into an agricultural integrator that provides unique green agri-food industry chain solutions, consisting of modern farming, cultivation management as well as physical and online sales platforms connecting both Chinese and international green food wholesale and retail businesses.

Cheung Lee Highlights for the year

- Cheung Lee improved its vegetable production system and management system to achieve high quality development.

- Cheung Lee continued to develop its tea trading business and expand its business scale by improving its quality, creating brands and improving efficiency.

FIRST QUARTER 2022 DEVELOPMENT GOALS

The Group will continue to build on existing business, maintain steady growth, solidify business network and accelerate business expansion. The Group's business goals in the 1st quarter are as follows:

Shandong — Mining and Metallurgical Machinery Production

- Tengzhou Kaiyuan will complete market analysis to help effectively target customers and improve marketing effectiveness.

- To achieve product diversification, Tengzhou Kaiyuan will continue to develop mining machineries to provide customers with more options.

Shandong — Supply Chain Management Services

- Shandong Kailai plans to increase the annual coal storage and distribution capacity and increase environmental protection facilities to meet current and future demand.

- Shandong Kailai will develop a partnership programme with existing partners to increase trading volume in order to increase turnover and profits.

Xinjiang — Coal Exploitation Business

- Xingliang Mine is in close vicinity to an industrial area, with power plants and chemical plants as potential customers, including Xinjiang Huadian Turpan Power Plant, Xinjiang Guanghui Coal Cleaning Chemical Company Limited and Shenhong Industrial Park. As there is excess demand in the local area, Xingliang Mine will continue to initiate talks with potential customers with the aim to satisfy the local industrial coal demand with the majority of coal produced by Xingliang Mine.

- Xingliang Mine has been preparing the applications for the mining license of 1.2 million tons, and expects the applications to enter the final stages and obtain approval within the next 6 months.

Mongolia — Supply Chain Management Business

- The Group will continue its strategic subcontracting partnership with Sainsaikhan, improve the facilities of the railway logistics centre and complete the remaining construction in order to kickstart coal trading with China. The Group expects the construction to complete by the 2nd quarter of 2022, and kickstart the project between the 3rd and 4th quarter.

Agricultural Investment and Development

- Cheung Lee aims to analyse the tea market and its competitors, preserve the value of its brand and gain competitive edges in trading.

- Cheung Lee aims to consolidate the scale of its agriculture bases, and look for ideal locations to build new vegetable bases, so as to expand its scale.

KAISUN BUSINESS SOLUTION

Event Management & Consulting Business

In 2021, facing the second year of the partial border closure in Hong Kong, the unit achieved better than expected results, and the business focus of the Unit has continued its shift to political public relations and advertising agency services. Meanwhile, as the video conferencing and hybrid conferencing becomes the new normal during the pandemic, the team has gradually turned itself into one of the most reliable event management companies for the online event service in the process of providing various technical support for different customers. In the year 2021 the revenue and business volume of the Unit has become more polarized. During the period between March and December, due to the increasing business demand for the advocacy advertising on political issues in Hong Kong, the Unit witnessed a jump in revenue by providing related design and advertising service.

However, the epidemic still produces unprecedented challenges to the offline events. An offline event plan may change several times a day due to the changes in social distancing rules, and many events has to be cancelled in the end. In addition, the overall gross profit of the industry has been on a declining trend since the outbreak of the Coronavirus and some companies are beginning to increasingly extend payment terms, which puts an extra strain to the Unit's cash flow. Therefore, the team had little choice but to reduce payroll in response to income lost during the pandemic as its gross profit cannot be greatly improved for the time being. In 2022, the team hopes to maximize its profits relying on the current team size, at the same rime strives to keep themselves in a strong position in political public relations and video conference industry.

Esports Business

The eSports business — EvoLoop has made substantial progress in the year of 2021. Since the Company's first round of fundraising in 2017, its Intellectual property (IP) GIRLGAMER Esports Festival under incubation for several years has been widely recognized by the global market. In 2021, EvoLoop formally signed an IP Licensing Agreement with its overseas strategic partner and will collect annual license fees as its main income.

In 2021, in the view of the pandemic, the team organized GIRLGAMER Challenge, an online global eSports competition having the best eSports teams from Asia, Africa, Middle East, Europe and America and the team also invited top eSports influencers from all around the world to share their expertise online for improving the whole online experience. In 2022, the team will launch a new global tournament working together with its local partners. The offline events are scheduled to be held in countries includes United Arab Emirates, Philippines, Maldives, Singapore, Australia and Brazil and etc., tournaments in Italy, Turkey, Romania, Spain are also under discussion and due to the spread of Omicron all events will be postponed to the second quarter of the year. Looking into the future, the team will develop new eSports IPs as the global pandemic unfolds.

Kaisun Trust

In 2021, Kaisun Trust has enjoyed a steady growth with a focus on customer maintenance and brand marketing. However, the Unit's development prospects undermined due to the reduced cross-border travel, making it losing its connections to the resources in the Greater Bay Area (GBA) and its chance to capitalize on the GBA opportunities. Meanwhile, with the loss of talent in Hong Kong, the "brain drain" added more challenges to the company's recruitment plan. In 2022, the team hopes to expand its team size for better serve its clients, also bring in stable cash flow for the Group.

SECURITIES TRADING BUSINESS

The Group's listed-securities trading business continued to be monitored by the investment committee with analytical and performance reports generated regularly and meetings regularly held to review and evaluate the risks of the portfolio. In 2021, the pandemic and border restrictions eased in various countries where vaccination efforts are rolling out widely despite the appearance of the new COVID-19 variants, boosting the economy and performance of stock market in Europe and other emerging markets. However, Hong Kong's economic recovery severely hindered due to border closure, China's regulatory tightening on a number of industries and capital flowing to Europe. The emergence of the Omicron Variant in Q4 further leaving the city in struggle with the fifth wave of the pandemic. The Hang Seng Index has dropped over 20%, which hits six-year low, marking the worst performing globally. Meanwhile, the fighting in Ukraine continues and talks between Russia and Ukraine end without breakthrough, presenting substantial uncertainties for the global financial markets.

1 Year HSI, FTSE 100 & Dow Jones Comparison (As of 08 Mar 2022)

Hang Seng Index	-7,636.85	↓26.76%
FTSE 100 Index	+240.35	↑3.58%
Dow Jones Industrial Index	+1,014.94	↑3.19%

As at 31 December 2021, the fair value of listed investment was HK$19,204,896. The cost of listed investment was HK$44,906,164.

In 2021, part of our existing securities portfolio recorded an unrealized loss. The unrealized fair value loss was HK$5,485,434. Dividend received from listed securities was HK$64,096.

During the last annual reporting period, Hong Kong has started providing vaccination service and the pandemic was also under control, therefore the market confidence was raised in a short term. Unfortunately, the vaccination rates have always been low, followed by the fifth wave of the pandemic and concerns over the Russia-Ukraine War. The investment committee hopes the compulsory universal testing scheme will pave way for the city's border reopening plan, and the new batch of consumption vouchers can boost the local economy and the stock market can also return to normal. In view of the highly unpredictable nature of the Russia-Ukraine war, the investment committee decided to sit tight and will continue to invest in blue chip stocks and stocks that pay dividend to lower the risk of new economy stocks.

FINANCIAL REVIEW

Revenue of the Group for the year ended 2021 amounted to approximately HK$156.6 million, represented an increase of approximately 3.4 times when compared with the same period in 2020 (2020: HK$36.0 million). The increase in revenue was mainly attributable to partial resumption of the operations.

The Group's gross profit for the year ended 2021 decreased approximately 48% to approximately HK$7.0 million when compared with the same period in 2020 (2020: HK$13.4 million). The decrease in gross profit was primarily due to the decrease in revenue recognised from sale of mining and metallurgical machineries products during the year ended 31 December 2021. The decrease in gross profit margin was primarily due to the substantial increase in revenue recognised from provision of supply chain management services for mineral business, which traditionally with a lower gross profit margin when compared with other source of revenue of the Group.

For the year ended 31 December 2021, the Group recognized gain on disposal of financial assets at FVTPL and fair value loss on financial assets at FVTPL of approximately HK$3.6 million and HK$5.5 million respectively. Gain on disposal of financial assets at FVTPL represented realized gain on trading of the Group's investment portfolio, while fair value loss on financial assets at FVTPL represented the unrealized loss in fair value on the Group's investment portfolio.

The Group recognized i) fair value loss on financial liabilities at FVTPL of approximately HK$4.5 million, ii) impairment loss on trade and other receivables of approximately HK$3.4 million, and iii) reversal of impairment loss on intangible assets of approximately HK$24.7 million during the year ended 31 December 2021, these amounts resulted from fair value adjustments or impairment assessment towards assets and liabilities of the Group in accordance with the relevant accounting standards.

Exploration expenses for the year ended 31 December 2021 of approximately HK$18.2 million represented exploration expenditures recognised which were considered no future economic benefit.

Administrative and other operating expenses were approximately HK$58.8 million, which was relatively stable when compared with the same period in 2020 (2020: HK$60.2 million).

Combining the effects of the abovementioned items, the Group recorded a loss for the year of approximately HK$71.3 million (2020: HK$64.3 million).

The total comprehensive loss attributable to owners of the Company for the year 2021 amounted to approximately HK$63.2 million (2020: HK$50.3 million).

As at 31 December 2021, the Group held financial assets at FVTPL of approximately HK$19.2 million, wholly comprised of listed investment in securities listed in Hong Kong. In the midst of poor performance of Hong Kong stock market in 2021, the gain on disposal of financial assets at FVTPL amounted to approximately HK$3.6 million (2020 gain on disposal: HK$1.0 million), whilst the fair value loss on financial assets at FVTPL was approximately HK$5.5 million for the year ended 2021 (2020: HK$18.1 million). The details of financial assets at FVTPL are set out as follow:

Company Name	**Number of shares held as at 31 December 2021**	**% of share-holding as at 31 December 2021**	**Unrealized gain/(loss) on fair value change for the year ended 31 December 2021** *HK$*	**Fair value as at** **31 December 2021** ***HK$***	31 December 2020 *HK$*	**% of the Group's net assets as at 31 December 2021**	**Investment cost** *HK$*	**Reasons for fair value loss**
Hong Kong Listed Securities								
Baidu, Inc. (9888) *(Note 1)*	1,100	0.00004%	(23,640)	159,060	—	0.52%	182,700	Drop in share price
Bilibili Inc. (9626) *(Note 2)*	660	0.0002%	(154,934)	236,676	—	0.77%	391,610	Drop in share price
BOC Hong Kong (Holdings) Limited (2388) *(Note 3)*	35,000	0.0003%	43,750	894,250	352,500	2.91%	960,750	—
EJE (Hong Kong) Holdings Limited (8101) *(Note 4)*	9,800,000	2.82%	(4,557,000)	—	4,557,000	0.00%	14,020,604	Suspension of trading
HSBC Holdings plc (0005) *(Note 5)*	20,000	0.0001%	123,000	938,000	815,000	3.05%	1,015,000	—
Tencent Holdings Limited (0700) *(Note 6)*	3,500	0.00004%	(395,950)	1,598,800	—	5.20%	1,994,750	Drop in share price
Tesson Holdings Limited (1201) *(Note 7)*	2,973,000	0.24%	178,380	1,397,310	5,418,150	4.54%	1,397,310	—
Wealthking Investments Limited (1140) *(Note 8)*	17,476,000	0.50%	(699,040)	13,980,800	14,679,840	45.45%	24,943,440	Drop in share price
Target Insurance (Holdings) Limited (6161) *(Note 9)*	—	—	—	—	10,470,160	—	—	—
Total			(5,485,434)	19,204,896	36,292,650	62.44%	44,906,164	

Notes:

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

2. 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.

3. BOC Hong Kong (Holdings) Limited (HKEx: 2388) — The principal activities of BOC Hong Kong (Holdings) Limited is the provision of banking and related financial services.

4. EJE (Hong Kong) Holdings Limited (HKEx: 8101) — The principal activity of EJE (Hong Kong) Holdings Limited is investment holding. The principal activities of the EJE (Hong Kong) Holdings Limited's subsidiaries are: (i) The design, manufacture and sales of mattress and soft bed products; (ii) property investment; (iii) securities investment; and (iv) the provision of property management and property agency services.

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

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

7. Tesson Holdings Limited (HKEx: 1201) — Tesson Holdings Limited is principally engaged in Lithium Ion Motive Battery Business and Property and Cultural Business during the year.

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

9. Target Insurance (Holdings) Limited (HKEx: 6161) — Target Insurance (Holdings) Limited is principally engaged in writing of motor insurance business in Hong Kong.

As at 31 December 2021, the Group held financial assets at fair value through other comprehensive income ("FVTOCI") with carrying amount of approximately HK$17.4 million, comprised of unlisted equity securities in Hong Kong and British Virgin Islands and redeemable preference shares. The details of financial assets at FVTOCI are set out as follow:

		Investment cost		Carrying amount		
Company Name	**% of shareholding as at 31 December 2021**	**as at 31 December 2021** *HK$*	as at 31 December 2020 *HK$*	**as at 31 December 2021** *HK$*	as at 31 December 2020 *HK$*	**% of carrying amount to the Group's total assets as at 31 December 2021**
Financial assets at FVTOCI						
Cheung Lee Farming Corporation *(Note 1)*	8.7%	**8,700,000**	8,700,000	**8,300,000**	10,900,000	2.3%
Connect-Me Technologies Limited *(Note 2)*	9.9%	**990**	990	**—**	—	N/A
Xin Ying Holdings Limited *(Note 3)*	N/A	**8,000,000**	8,000,000	**9,100,000**	8,200,000	2.5%
		16,700,990	16,700,990	**17,400,000**	19,100,000	

Notes:

1. Cheung Lee Farming Corporation incorporated under the laws of the British Virgin Islands with limited liability. The principal activities of the company together with its subsidiaries are engaged in the business of production and distribution of pollution-free vegetables.

2. Connect-Me Technologies Limited under the laws of the Hong Kong SAR with limited liability. They engaged in sale of electronic consumer products, key products including tablet PCs, smartphones, smartwatches, smart crutches, VR, electric self-balancing scooters, etc.

3. The principal activity of Xin Ying Holdings Limited ("Xin Ying") is investment holding. Xin Ying's subsidiaries combine the development of financial globalization and internet information technology innovation mean to provide innovative and efficient financing, assessment, consulting management, interconnection, financial e-commerce and more professional financial services for domestic enterprises and individual customers in PRC. Xin Ying's subsidiaries hold two types of credit license — 融資性擔保機構經營許可證 and 深圳市小額貸款業務資格. As at 31 December 2021, the Group held 8,000,000 redeemable preference shares of Xin Ying.

OUTLOOK

The Group will have to focus on reshaping the business model given the uncertainty of the COVID-19 disease control policy of our country both in the Mainland and Hong Kong which put not only the Group but almost all the business enterprises into a standstill.

In 2021, the Group consolidated almost all of its offshore business units amid travel bans and extremely long quarantine time either way. The fact that the staff of the Group and independent professional services providers' unwillingness to travel overseas mainly frontiers and emerging markets in which the Group focuses on to perform their duties forced the Group to give up its hard-earned business network with regret.

The traditional business in coal mining and mining machinery assembling and trading business remain a core business unit of the Group. However, the Group is putting a lot of effort to comply with the global ESG standard to keep the environment clean despite at high cost which all businesses are encountering the same issue. The Xinjiang coal asset of the Group should experience a new milestone given the Autonomous Region has a new party secretary and a new plan to revitalize Xinjiang to be a pearl of the Country's Belt and Road development.

The Group's service business was stagnant in 2021 and the Board cannot possibly forecast growth for 2022 given the isolation of Hong Kong from the rest of the world under the current COVID-19 disease control policy which everyone has to live with it.

Since 2019, the Group has suffered loss of human resources for reason of social unrest. The COVID pandemic further rubbed salt into the wound. The Board's goal of 2022 onwards is to rebuild the Group's talent pool to reinforce its management team to meet with the ever changing rules and regulations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2021, the Group has bank and cash balances of approximately HK$8.3 million (2020: HK$10.4 million).

The net current liabilities of the Group as at 31 December 2021 amounted to approximately HK$182.2 million. The net current liabilities status of the Group revealed potential going concern issues of the Group, to address the going concern issue, the management of the Group will if necessary, liaise with creditors on the maturity dates and repayment schedule of debts so that the Group can continue as a going concern; and consider fund-raising activities in the future. The Company will issue further announcements as of when appropriate in this regard.

GEARING RATIO

The Group's gearing ratio, which represents the ratio of the Group's bonds payables over the Group's total assets, was 0.14 as at 31 December 2021 (2020: 0.14).

FOREIGN EXCHANGE EXPOSURE

Majority of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars, Renminbi ("RMB"), United States dollars, Tajikistan Somoni and Mongolian Tugrik. As at 31 December 2021, the Group had no other significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

INCOME TAX

Details of the Group's income tax expense/credit for the year 2021 are set out in note 6.

HUMAN RESOURCES

As at 31 December 2021, the Group had 116 (2020: 117) staff in Hong Kong and China.

The Group continues to employ, promote and reward its staff with reference to their performance and experience. In addition to their basic salaries, the Group's employees are also entitled to other fringe benefits such as provident fund. The management will continue to closely monitor the human resources requirements of the Group, and will also put emphasis on the staff quality. During the year 2021, 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$25.7 million (2020: HK$23.8 million) for the year 2021.

SEGMENT REPORT

The detailed segmental analysis are provided in note 14.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2021.

LITIGATION

As at 31 December 2021, the Group had no significant pending litigation.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the year ended 31 December 2021 and up to the date of this announcement.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended 31 December 2021 (2020: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

The Company has complied with the Code Provisions of the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules throughout the year ended 31 December 2021 except the following deviation.

Following the retirement of Mr. Anderson Brian Ralph as independent non-executive Director on 1 August 2021, (i) the number of independent non-executive Directors fell below the minimum number required under Rules 5.05(1) of the GEM Listing Rules; and (ii) the number of members of the audit committee of the Company (the "Audit Committee") fell below the minimum number required under Rule 5.28 of the GEM Listing Rules. The non-compliance was subsequently rectified following the appointment of Mr. Wu Zheng as an independent non-executive Director on 31 October 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors ("Directors") of the Company on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year 2021. The Company has also made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

AUDIT COMMITTEE

The Audit Committee consists of the three independent non-executive Directors, namely Mr. Liew Swee Yean (Chairman of the Audit Committee), Dr. Wong Yun Kuen and Mr. Wu Zheng. The Audit Committee has reviewed with the auditor and management the accounting principles and practices adopted by the Company and discussed auditing, financial reporting, internal control and risk management systems, and has reviewed the audited annual financial results for the year ended 31 December 2021.

REVIEW OF AUDITED ANNUAL RESULTS ANNOUNCEMENT

The figures contained in this annual results announcement of the Group's results for the year ended 31 December 2021 have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, the Hong Kong Standards on Review Engagements, or the Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by RSM Hong Kong on this annual results announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

Disclaimer of Opinion

Material uncertainties relating to going concern

As detailed in note 2 to the consolidated financial statements of the Group, the Group had defaulted in repayment of its bonds payable with a principal amount of HK$50,000,000 and the accrued interest of approximately HK$11,022,000 when they fell due on 23 August 2021 and incurred a loss of approximately HK$71,283,000 during the year ended 31 December 2021 and, as of that date, the Group had net current liabilities of approximately HK$182,157,000. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Management of the Company plan to undertake a number of measures to improve the Group's future operating results, cash flows, liquidity and financial position to enable the Group to meet its liabilities as and when they fall due for the foreseeable future which are set out in note 2 to the consolidated financial statements of the Group. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) the successful improvement of future operating results and cash flows; (ii) the positive results of the ongoing negotiations with the Group's creditors on the extension of repayment of debts, including but not limited to the defaulted bonds payable with a principal amount of HK$50,000,000 and the accrued interest of approximately HK$11,022,000 mentioned above; and (iii) the successful future fund raising activities of the Company in open stock exchange market. However, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that (i) the improvement of future operating results and cash flows would be realised; (ii) the agreements with the Group's creditors on the extension of repayment of debts would be reached, including the default bonds payable mentioned above as its negotiation is at a preliminary stage; and (iii) the future fund raising activities of the Company would be successfully executed as the relevant process has not yet been commenced.

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

In view of the significance of and the potential interaction of the multiple uncertainties described above and their possible cumulative effects on the consolidated financial statements, we disclaim our opinion in respect of the consolidated financial statements of the Group for the year ended 31 December 2021.

Other modifications

Had we not disclaimed our opinion in respect of the matters described in the Basis of Disclaimer of Opinion section above, we would otherwise have modified our opinion in respect of the scope limitations on our audit relating to the matters detailed below.

(a) Investment in associates

As disclosed in note 23 to the consolidated financial statements of the Group, the Group acquired 45.56% equity interest in SCH Limited ("SCH") on 11 November 2019 (the "Acquisition Date") at the consideration of US$1 (equivalent to HK$8). SCH is an investment holding company and held 90.04% interest in Sturgeon Capital Limited ("Sturgeon Capital"). Prior to the acquisition, the Group held 9.96% interest in Sturgeon Capital and recorded the investment as financial assets at fair value through other comprehensive income ("FVTOCI"). As the directors considered the Group had significant influence over SCH and Sturgeon Capital, the acquisition resulted in SCH and Sturgeon Capital becoming the Group's associates. The Group derecognised the 9.96% interest in Sturgeon Capital recorded as financial assets at FVTOCI with an amount of approximately HK$7,800,000 at the Acquisition Date and a fair value loss of approximately HK$5,841,000 on the derecognition was accounted for and charged to other comprehensive income in the consolidated financial statements of the Group for the year ended 31 December 2019.

The operations of SCH and Sturgeon Capital were affected by the outbreak of COVID-19 pandemic since early 2020. The directors of the Company advised that the Group were unable to access the books and records of SCH and Sturgeon Capital since the Acquisition Date. As such, no adequate financial information of SCH and Sturgeon Capital was available for the preparation of purchase price allocation to assess (i) the fair value of the identifiable assets and liabilities of SCH and Sturgeon Capital at the Acquisition Date; (ii) fair value remeasurement of the 9.96% interest in Sturgeon Capital recorded as financial assets at FVTOCI held by the Group at the Acquisition Date and (iii) to account for SCH and Sturgeon Capital subsequent to the acquisition under the equity method in IAS 28 "Investments in Associates and Joint Ventures".

As the business and operations of SCH and Sturgeon Capital had continued to be affected by the pandemic for the year ended 31 December 2020, the directors of the Company had decided to make a full impairment loss to the carrying amount of the investment in associates and recognised the loss of approximately HK$1,959,000 in the consolidated statement of profit or loss for the year ended 31 December 2020.

As disclosed in note 23 to the consolidated financial statements of the Group, the Group disposed of all the investment in the associates by a series of transactions and recognised a gain on disposal of the investment in associates of approximately HK$293,000 for the year ended 31 December 2021.

In the absence of the relevant financial information of SCH and Sturgeon Capital, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the fair value of the assets and liabilities of SCH and Sturgeon Capital at the Acquisition Date; (ii) fair value loss on remeasurement of the Group's previously held interest of 9.96% in Sturgeon Capital recognised in other comprehensive income of approximately HK$5,841,000 for the year ended 31 December 2019; (iii) the accounting for SCH and Sturgeon Capital under the equity method in IAS 28 "Investments in Associates and Joint Ventures" for the years ended 31 December 2020 and 2021; and (iv) whether the impairment loss of approximately HK$1,959,000 recognised for the year ended 31 December 2020 and the gain on disposal of associates of HK$293,000 for the year ended 31 December 2021 were fairly stated.

(b) Discontinued operations in the production and exploitation of coal business in Tajikistan

As set out in note 16 to the consolidated financial statements of the Group, the Group dissolved the wholly owned subsidiary, Better Business International Limited ("Better Business") and shut down the production and exploitation of coal business in Tajikistan during the year ended 31 December 2019. As detailed in our auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2020 and note 16 to the consolidated financial statements of the Group for the year ended 31 December 2021, because the complete set of books and records together with the supporting documents of a subsidiary of Better Business — Sangghat LLC, which mainly operated the production and exploitation of coal business in Tajikistan, were not available to the directors of the Company, accordingly we were unable to obtain sufficient appropriate audit evidence to ascertain that the abandonment of the coal business in Tajikistan had been completed during the year ended 31 December 2019. The limitations on our audit of work remained unresolved during our audit of the Group's consolidated financial statements for the year ended 31 December 2021. In addition, we were unable to obtain sufficient appropriate audit evidence regarding the cash and bank balance of approximately HK$14,000, other payables and accruals of approximately HK$4,569,000 and current tax liabilities of approximately HK$479,000 included in the Group's consolidated statement of financial position as at 31 December 2020 and 2021 and the relevant disclosures in the consolidated financial statements in respect of the discontinued operations.

(c) Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2020 issued on 22 March 2021 (the "2020 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, included the limitations on our scope of work described in paragraph (a) and paragraph (b) above on the 2020 Financial Statements in respect of investment in associates and discontinued operations in the production and exploitation of coal business in Tajikistan. Any adjustments that might be found necessary as a result of the matters described in paragraph (a) and paragraph (b) above might have a consequential effect on the Group's results and cash flows for the year ended 31 December 2020 and the financial position of the Group as at 31 December 2020 and the related disclosures in the 2020 Financial Statements.

The matters giving rise to the abovementioned limitations on our audit of work were not resolved in our audit of the consolidated financial statements of the Group for the year ended 31 December 2021 as detailed in paragraph (a) and paragraph (b) above.

MANAGEMENT'S VIEW ON THE DISCLAIMER OF OPINION AND OTHER MODIFICATIONS

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

In respect of material uncertainties relating to going concern, as described under the section headed "Basis of Preparation and Going Concern" of this announcement, the management of the Company opined that after taking consideration of the Group's financial forecast and measures to be taken, the Group will have sufficient working capital to operate as a going concern for at least 12 months from the end of reporting period. Although RSM Hong Kong was unable to obtain sufficient appropriate audit evidence on the Group's ability to continue as a going concern, the management of the Company will use its best endeavor to materialize the financial forecast and measures to be taken.

In respect of investment in associates, as the Group has disposed its interest in the associates during the last quarter of 2021 according to the action plan as disclosed in the Third Quarterly Report 2021 of the Company dated 8 November 2021, it is expected that the relevant audit issues will not be existed in future periods and thus the audit modification can be removed in 2022.

In respect of discontinued operations in the production and exploitation of coal business in Tajikistan, according to the action plan as disclosed in the Third Quarterly Report 2021 of the Company dated 8 November 2021, the Group shall obtain a legal opinion to confirm the abandonment has been completed so that the audit issue can be resolved. Up to the date of this announcement, a draft legal opinion is obtained by the Company and the Company will communicate closely with RSM Hong Kong with an aim to removed the audit modification.

The modification on opening balances and corresponding figures is expected to be removed when other modifications are removed.

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

AUDIT COMMITTEE'S VIEW ON THE AUDIT QUALIFICATION

The audit committee of the Company confirmed that it had independently review and agreed with the management's position concerning the disclaimer of opinion and other modifications for reasons stated in paragraph headed "Management's View on the Disclaimer of Opinion and Other Modifications".

MATERIAL DIFFERENCES BETWEEN 2021 UNAUDITED AND AUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2021 had not been completed as at the date of publication of Unaudited Annual Results Announcement. Since subsequent adjustments have been made to the unaudited annual results of the Group contained in the Unaudited Annual Results Announcement upon the completion of audit, shareholders and potential investors of the Company are advised to pay attention to certain differences between the unaudited annual results of the Group contained in the Unaudited Annual Results Announcement and the audited annual results of the Group in this announcement.

The main details and reasons for the significant differences in the financial information are set out below.

	Notes	Year ended 31 December 2021 Disclosure in this announcement *HK$'000*	Disclosure in the Unaudited Annual Results Announcement *HK$'000*	Difference *HK$'000*
CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Revenue		156,576	156,576	—
Cost of goods sold	(f)	(149,591)	(146,715)	(2,876)
Gross profit		6,985	9,861	(2,876)
Gain on disposal of financial assets at fair value through profit or loss (FVTPL)		3,590	3,590	—
Fair value loss on financial assets at FVTPL		(5,485)	(5,485)	—
Fair value (loss)/gain on financial liabilities at FVTPL	(a)	(4,474)	—	(4,474)
Impairment loss on trade and other receivables	(d)	(3,372)	—	(3,372)
Impairment loss on property, plant and equipment	(c)	(7,814)	—	(7,814)
Impairment loss on right-of-use assets	(b)	(308)	—	(308)
Property, plant and equipment written off		(81)	—	(81)
Reversal of impairment loss on intangible assets	(c)	24,714	—	24,714
Recovering income from trade and other receivables written off		—	(267)	267
Exploration expenses	(f)	(18,228)	(12,189)	(6,039)
Other gains and losses		990	1,579	(589)
Administrative and other operating expenses	(f)	(58,755)	(66,186)	7,431
Loss from operations		(62,238)	(69,097)	6,859
Finance costs	(b)	(6,348)	(6,331)	(17)
Loss before tax		(68,586)	(75,428)	6,842
Income tax (expense)/credit	(g)	(2,697)	3,482	(6,179)
Loss for the year		(71,283)	(71,946)	663

		Year ended 31 December 2021		
		Disclosure in this announcement	**Disclosure in the Unaudited Annual Results Announcement**	**Difference**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Attributable to:				
Owners of the Company		(66,178)	(63,695)	(2,483)
Non-controlling interest		(5,105)	(8,251)	3,146
		(71,283)	(71,946)	663
Loss per share (cents)				
Basic		(11.48)	(11.05)	(0.43)
Diluted		N/A	N/A	—

	Notes	Disclosure in this announcement HK$'000	Disclosure in the Unaudited Annual Results Announcement HK$'000	Difference HK$'000
		Year ended 31 December 2021		
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Loss for the year		**(71,283)**	(71,946)	663
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Fair value loss on equity instruments at fair value through other comprehensive income (FVTOCI)	(e)	**(1,700)**	—	(1,700)
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations		**5,590**	4,330	1,260
Other comprehensive income for the year, net of tax		**3,890**	4,330	(440)
Total comprehensive income for the year		**(67,393)**	(67,616)	223
Attributable to:				
Owners of the Company		**(63,177)**	(60,293)	(2,884)
Non-controlling interests		**(4,216)**	(7,323)	3,107
		(67,393)	(67,616)	223

		Year ended 31 December 2021		
		Disclosure in this announcement	Disclosure in the Unaudited Annual Results Announcement	Difference
	Note	*HK$'000*	*HK$'000*	*HK$'000*
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Non-current assets				
Property, plant and equipment	(c)	34,780	41,475	(6,695)
Right-of-use assets	(b)	14,379	15,434	(1,055)
Goodwill		—	—	—
Intangible assets	(c)	128,035	102,891	25,144
Exploration and evaluation assets		53,906	53,906	—
Investment in associates		—	—	—
Financial assets at FVTOCI	(e)	17,400	19,100	(1,700)
Long-term deposits		—	—	—
Deferred tax assets		7,078	7,079	(1)
		255,578	239,885	15,693
Current assets				
Inventories		8,416	8,416	—
Financial assets at FVTPL		19,205	19,205	—
Trade and bills receivables	(d)	23,894	20,213	3,681
Deposits, prepayments and other receivables	(d)	24,134	37,314	(13,180)
Deposits in a licensed corporation	(f)	28,883	—	28,883
Bank and cash balances	(f)	8,279	37,511	(29,232)
		112,811	122,659	(9,848)
Current liabilities				
Trade payables		4,150	4,150	—
Other payables and accruals	(f)	164,945	206,609	(41,664)
Contract liabilities	(f)	40,982	—	40,982
Bond payables		50,000	50,000	—
Other financial liabilities	(a)	29,681	14,713	14,968
Lease liabilities	(b)	1,012	1,474	(462)
Redeemable convertible preference shares		541	541	—
Current tax liabilities	(f)	3,657	9,482	(5,825)
		294,968	286,969	7,999
Net current liabilities		(182,157)	(164,310)	(17,847)
Total assets less current liabilities		73,421	75,575	(2,154)

		Year ended 31 December 2021		
	Notes	**Disclosure in this announcement** *HK$'000*	**Disclosure in the Unaudited Annual Results Announcement** *HK$'000*	**Difference** *HK$'000*
Non-current liabilities				
Other financial liabilities	(a)	11,457	21,951	(10,494)
Lease liabilities	(b)	826	—	826
Deferred tax liabilities	(g)	30,379	24,092	6,287
		42,662	46,043	(3,381)
NET ASSETS		30,759	29,532	1,227
Capital and reserves				
Share capital		57,657	57,657	—
Reserves		(45,868)	(43,841)	(2,027)
Equity attributable to owners of the Company		11,789	13,816	(2,027)
Non-controlling interests		18,970	15,716	3,254
TOTAL EQUITY		30,759	29,532	1,227

Note:

These differences are mainly due to:

(a) The adjustments made after the completion of valuation process on other financial liabilities.

(b) The adjustments made after the completion of valuation process on right-of-use assets and lease liabilities.

(c) The adjustments made after the completion of valuation process on property, plant and equipment and intangible assets.

(d) The adjustments made after the completion of valuation process on expected credit loss on trade and other receivables.

(e) The adjustments made after the completion of valuation process on financial assets at FVTOCI.

(f) The adjustments made due to reclassification of accounts.

(g) The adjustments to deferred tax expenses due to the fair value adjustments as set out in note (a) to (e).

ANNUAL GENERAL MEETING

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the website of the Company at http://www.kaisun.hk and the website of the Stock Exchange.

As disclosed in the announcement of the Company dated 27 April 2022, a formal written waiver application to apply for a deferral of publication of 2021 Annual Report to 31 May 2022 has been submitted to the Stock Exchange. The waiver is granted by the Stock Exchange and accordingly, the 2021 Annual Report will be published and available on the above websites on or before 31 May 2022.

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

Hong Kong, 13 May 2022

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

As at the date of this announcement, the Board comprises two executive directors of the Company Mr. CHAN Nap Kee Joseph, Mr. YANG Yongcheng and three independent non-executive directors of the Company Mr. LIEW Swee Yean, Dr. WONG Yun Kuen and Mr. WU Zheng.

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the day of its posting, and on the Company's website at http://www.kaisun.hk.