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KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8203)

**(1) CLARIFICATION ANNOUNCEMENT IN RELATION TO
ANNOUNCEMENT OF THE AUDITED ANNUAL RESULTS FOR THE
YEAR ENDED 31 DECEMBER 2021
AND
(2) RESUMPTION OF TRADING**

Reference is made to the announcement of Kaisun Holdings Limited (the “**Company**”) dated 13 May 2022 in relation to the announcement of the audited annual results for the year ended 31 December 2021 (the “**Announcement**”).

The board (the “**Board**”) of directors of the Company would like to clarify on the following paragraphs set out in P.38 and P.39 of the Announcement under the section headed “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.

* for identification purpose only

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.

With the consent of the auditors of the Company, RSM Hong Kong, the Board would like to clarify that, as disclosed above, RSM Hong Kong disclaim its opinion in respect of the consolidated financial statements of the Group for the year ended 31 December 2021 in view of the significance of and the potential interaction of the multiple uncertainties in relation to **material uncertainties relating to going concern** and their possible cumulative effects on the consolidated financial statements. The paragraphs in relation to disclaimer of opinion **mentioned material uncertainties relating to going concern only and not any other issues.**

The Board would like to further clarify on the following paragraph set out in P.39 of the Announcement under the section headed “EXTRACT OF INDEPENDENT AUDITOR’S REPORT”:

‘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”

With the consent of the auditors of the Company, RSM Hong Kong, the Board would like to further clarify that, the paragraph draws the attention of the readers of the independent auditor’s report that **if RSM Hong Kong does not issue a disclaimer of opinion for the reason of the Group’s material uncertainties relating to going concern,** the audit opinion would otherwise be modified in respect of the scope limitation on a) investment in associates; (b) discontinued operations in the production and exploitation of coal business in Tajikistan; and (c) opening balances and corresponding figures. The other modifications on the audit opinion mentioned above would be **a qualified opinion instead of a disclaimer of opinion, and these other modifications do not form part of paragraphs in relation to the disclaimer of opinion.**

Based on the above, with the consent of the auditors of the Company, RSM Hong Kong, the Board would like to clarify that the disclaimer of opinion of RSM Hong Kong in relation to the audited annual results of the Group for the year ended 31 December 2021 **was relating to the going concern issue only and not any other issues.** Therefore, the Board is of the view that no suspension on trading of the Company’s shares is needed in accordance with Rule 17.49B of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 09:04 on 16 May 2022 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 09:00 on 18 May 2022.

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

Hong Kong, 17 May 2022

As of the date of this announcement, the executive directors of the Company are Mr. Chan Nap Kee Joseph and Mr. Yang Yongcheng. The independent non-executive directors of the Company are Mr. Liew Swee Yean, Dr. Wong Yun Kuen and Mr. Wu Zheng.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will appear on the GEM website (www.hkgem.com) for at least seven days after the date of publication and on the website of the Company (www.kaisun.hk).