KAISUN HOLDINGS LIMITED
凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

A Belt & Road Participant

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the "**Board**") of directors (the "**Directors**") of Kaisun Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2023. This announcement, containing the full text of the 2023 interim report of the Group, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM (the "**GEM**") of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcement of interim results.

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

Hong Kong, 11 August 2023

* *for identification purpose only*

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

As at the date of this announcement, the 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, for which the directors (the "**Directors**") of Kaisun Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This 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.

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

The board of Directors (the "Board") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the three months and six months ended 30 June 2023 together with the unaudited comparative figures period in 2022 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

		Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	Note	**2023 HK$'000**	2022 HK$'000	**2023 HK$'000**	2022 HK$'000
Revenue	4	**54,294**	44,216	**161,565**	131,048
Cost of goods sold and services		**(50,907)**	(40,735)	**(153,227)**	(120,627)
Gross profit		**3,387**	3,481	**8,338**	10,421
Investment and other income	6	**1,321**	14,569	**9,210**	14,779
Other gains and losses	7	**(3,890)**	33,453	**(5,820)**	24,826
Administrative and other operating expenses		**(14,242)**	(15,076)	**(26,838)**	(30,805)
(Loss)/profit from operations		**(13,424)**	36,427	**(15,110)**	19,221
Finance costs	12	**(2,058)**	(4,950)	**(3,765)**	(6,631)
(Loss)/profit before tax		**(15,482)**	31,477	**(18,875)**	12,590
Income tax credit	8	**640**	985	**1,319**	2,219
(Loss)/profit for the period	9	**(14,842)**	32,462	**(17,556)**	14,809
Attributable to:					
Owners of the Company		**(13,406)**	29,756	**(16,654)**	13,760
Non-controlling interest		**(1,436)**	2,706	**(902)**	1,049
		(14,842)	32,462	**(17,556)**	14,809
(Loss)/profit per share (HK cents)					
Basic	11	**(2.33)**	5.16	**(2.89)**	2.39

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

For the six months ended 30 June 2023

		Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
		2023	2022	**2023**	2022
	Note	**HK$'000**	HK$'000	**HK$'000**	HK$'000
(Loss)/profit for the period		**(14,842)**	32,462	**(17,556)**	14,809
Other comprehensive expense:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		**(2,262)**	(6,455)	**(3,110)**	(5,769)
Other comprehensive expense for the period, net of tax		**(2,262)**	(6,455)	**(3,110)**	(5,769)
Total comprehensive (expense)/ income for the period		**(17,104)**	26,007	**(20,666)**	9,040
Attributable to:					
Owners of the Company		**(14,425)**	24,753	**(18,745)**	9,211
Non-controlling interest		**(2,679)**	1,254	**(1,921)**	(171)
		(17,104)	26,007	**(20,666)**	9,040

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	Unaudited 30 June 2023 HK$'000	Audited 31 December 2022 HK$'000
Non-current assets			
Property, plant and equipment	13	34,832	38,302
Right-of-use assets		11,001	12,093
Intangible assets	14	276,341	278,566
Financial assets at fair value through other comprehensive income ("FVTOCI")		10,400	10,400
Deferred tax assets		8,610	8,311
		341,184	347,672
Current assets			
Inventories		7,951	3,908
Financial assets at fair value through profit or loss ("FVTPL")	20	12,601	14,362
Trade and bills receivables	15	58,995	50,506
Deposits, prepayments and other receivables		57,562	81,294
Deposits in a licensed corporation		26,362	26,166
Bank and cash balances		6,398	7,823
		169,869	184,059
Current liabilities			
Trade payables	16	22,110	22,965
Other payables and accruals		258,371	248,077
Contract liabilities		42,178	44,117
Borrowings		77	81
Bonds payable		46,800	46,800
Other financial liabilities		14,603	14,603
Lease liabilities		316	734
Current tax liabilities		2,832	2,831
		387,287	380,208

	Note	Unaudited 30 June 2023 HK$'000	Audited 31 December 2022 HK$'000
Net current liabilities		**(217,418)**	(196,149)
Total assets less current liabilities		**123,766**	151,523
Non-current liabilities			
Other financial liabilities		**20,991**	20,991
Other payables and accruals		**100,680**	105,367
Lease liabilities		**37**	48
Deferred tax liabilities		**23,565**	25,958
		145,273	152,364
NET LIABILITIES		**(21,507)**	(841)
Capital and reserves			
Share capital		**57,657**	57,657
Reserves		**(93,370)**	(74,625)
Equity attributable to owners of the Company		**(35,713)**	(16,968)
Non-controlling interests		**14,206**	16,127
CAPITAL DEFICIENCY		**(21,507)**	(841)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share capital	Share premium	Shares held under share award scheme	Foreign currency translation reserve	Financial assets at FVTOCI reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2022 (audited)	57,657	1,361,095	(3,371)	5,421	700	(1,409,713)	11,789	18,970	30,759
Capital injection by non-controlling interest in a subsidiary	–	–	–	–	–	–	–	3,025	3,025
Total comprehensive income for the period	–	–	–	(4,549)	–	13,760	9,211	(171)	9,040
Changes in equity for the period	–	–	–	(4,549)	–	13,760	9,211	2,854	12,065
At 30 June 2022 (unaudited)	57,657	1,361,095	(3,371)	872	700	(1,395,953)	21,000	21,824	42,824
At 1 January 2023 (audited)	**57,657**	**1,361,095**	**(3,371)**	**(978)**	**(6,300)**	**(1,425,071)**	**(16,968)**	**16,127**	**(841)**
Total comprehensive expense for the period	**–**	**–**	**–**	**(2,091)**	**–**	**(16,654)**	**(18,745)**	**(1,921)**	**(20,666)**
Changes in equity for the period	**–**	**–**	**–**	**(2,091)**	**–**	**(16,654)**	**(18,745)**	**(1,921)**	**(20,666)**
At 30 June 2023 (unaudited)	**57,657**	**1,361,095**	**(3,371)**	**(3,069)**	**(6,300)**	**(1,441,725)**	**(35,713)**	**14,206**	**(21,507)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Unaudited Six months ended 30 June	
	2023	2022
	HK$'000	HK$'000
Net cash generated from operating activities	**18,670**	5,064
Net cash used in investing activities	**(15,781)**	(10,416)
Net cash (used in)/generated from financing activities	**(4,193)**	1,955
Net decrease in cash and cash equivalents	**(1,304)**	(3,397)
Effect of foreign exchange rate changes	**(121)**	(124)
	(1,425)	(3,521)
Cash and cash equivalents at beginning of period	**7,823**	8,279
Cash and cash equivalents at end of period	**6,398**	4,758

Major non-cash transactions:

During the six months ended 30 June 2022, the Group entered into a deed of novation with certain creditors of the Group, for which the Group assigned approximately receivables of approximately HK$29,978,000 to certain creditors of the Group to set off the same amount of debts due to the creditors, resulted in a reversal of impairment loss on trade and other receivables of approximately HK$29,978,000 and a reduction in other payables, interest payable and bonds payable of approximately HK$10,000,000, HK$16,778,000 and HK$3,200,000 respectively.

NOTES

1. GENERAL INFORMATION

Kaisun Holdings Limited ("the Company") was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 1304, 13/F., Car Po Commercial Building, 18–20 Lyndhurst Terrace, Central, Hong Kong. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group's condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"). The condensed consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2022 annual financial statements. The accounting policies and methods of computation used in preparation of these condensed financial information are consistent with those used in the annual financial statement for the year ended 31 December 2022, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of these changes in accounting policies are set out in note 3.

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

The Group had net current liabilities of approximately HK$217,418,000 as at 30 June 2023. 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 has given careful consideration to the future liquidity and performance of the Group and its available sources of finance to continue as going concern. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering the next twelve months from 30 June 2023 prepared by the management of the Company, and after taking into consideration the following:

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

(ii) the expected positive results of the ongoing negotiations with the Group's creditors on the extension of repayment of debts, including but not limited to the matured bond payables of HK$46,800,000 and the accrued interest of approximately HK$1,950,000.

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

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to International Financial Reporting Standards ("IFRS") issued by IASB to these financial statements for the current accounting period:

Amendments to IAS 1 — Classification of Liabilities as Current or Non-current

Amendments to IAS 1 and IFRS Practice Statement 2 — Disclosure of Accounting Policies

Amendments to IAS 8 — Definition of Accounting Estimates

Amendments to IAS 12 — Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

IFRS 17 — Insurance Contracts

Amendments to IFRS 17 — Initial Application of IFRS 17 and IFRS 9

Amendments to IAS 12 — International Tax Reform — Pillar Two Model Rules

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE

Disaggregation of revenue

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

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**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	**44,154**	32,302	**141,783**	106,823
— Mining and metallurgical machineries products	**4,072**	6,718	**8,290**	15,972
Provision of services:				
— Logistics services for mineral business	**3,178**	3,322	**6,740**	5,267
— Corporate services business	**17**	1	**145**	133
— Trust and trustee services	**665**	494	**1,188**	1,082
— Event management services	**1,590**	1,379	**2,116**	1,771
— Operating of railway logistic platform	**618**	—	**1,303**	—
	54,294	44,216	**161,565**	131,048

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 six months ended 30 June (unaudited)	Provision of supply chain management services for mineral business		Mining and metallurgical machineries products		Logistics services for mineral business		Corporate services business		Trust and trustee services		Event management services		Operating of railway logistic platform		Total	
	2023 HK'000	2022 HK'000	**2023 HK'000**	2022 HK'000	**2023 HK'000**	2022 HK'000	**2023 HK'000**	2022 HK'000	**2023 HK'000**	2022 HK'000	**2023 HK'000**	2022 HK'000	**2023 HK'000**	2022 HK'000	**2023 HK'000**	2022 HK'000
Revenue by primary geographical markets																
– Hong Kong	–	–	–	–	–	–	145	133	–	–	2,116	1,771	–	–	2,261	1,904
– PRC except Hong Kong	141,783	106,823	8,290	15,972	6,740	5,267	–	–	–	–	–	–	–	–	156,813	128,062
– Others	–	–	–	–	–	–	–	–	1,188	1,082	–	–	1,303	–	2,491	1,082
Revenue from external customers	141,783	106,823	8,290	15,972	6,740	5,267	145	133	1,188	1,082	2,116	1,771	1,303	–	161,565	131,048
Timing of revenue recognition																
Products transferred at a point in time	141,783	106,823	8,290	15,972	6,740	5,267	–	–	–	–	–	–	–	–	156,813	128,062
Products and services transferred over time	–	–	–	–	–	–	145	133	1,188	1,082	2,116	1,771	1,303	–	4,752	2,986
Total	141,783	106,823	8,290	15,972	6,740	5,267	145	133	1,188	1,082	2,116	1,771	1,303	–	161,565	131,048

5. SEGMENT INFORMATION

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

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

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

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

	Coal mining business segment HK$'000	Consulting and media services business segment HK$'000	Corporate and investment business segment HK$'000	Total HK$'000
For six months ended 30 June 2023 (unaudited)				
Revenue from external customers	158,116	3,329	120	161,565
Segment loss	(8,508)	(488)	(8,560)	(17,556)
Interest revenue	588	1	87	676
Interest expenses	1,811	4	1,950	3,765
Depreciation and amortisation	7,435	1	–	7,436
Income tax credit	1,020	–	299	1,319
Other material items of income and expenses:				
Staff cost	4,989	1,036	4,423	10,448
Other material non-cash items:				
Impairment loss/(reversal of impairment loss) on trade and other receivables	4,209	93	(243)	4,059
Additions to segment non-current assets	9	–	–	9
As at 30 June 2023 (unaudited)				
Segment assets	449,720	3,247	58,070	511,037
Segment liabilities	150,932	373,652	2,928	527,512

	Coal mining business segment HK$'000	Consulting and media services business segment HK$'000	Corporate and investment business segment HK$'000	Total HK$'000
For six months ended 30 June 2022 (unaudited)				
Revenue from external customers	128,063	2,865	120	131,048
Segment profit/(loss)	1,946	(921)	13,784	14,809
Interest revenue	8	—	—	8
Interest expenses	859	15	5,757	6,631
Depreciation and amortisation	9,159	1	4	9,164
Income tax credit	1,226	—	993	2,219
Other material items of income and expense:				
Staff costs	5,846	1,441	4,324	11,611
Other material non-cash items:				
Reversal of impairment loss/(impairment loss) on trade and other receivables	1,109	(24)	29,948	31,033
Impairment loss on property, plant and equipment	—	—	—	—
Impairment loss on right-of-use assets	—	—	—	—
Reversal of impairment loss on intangible assets	—	—	—	—
Additions to segment non-current assets	3,284	—	—	3,284
As at 30 June 2022 (unaudited)				
Segment assets	390,229	2,605	67,681	460,515
Segment liabilities	268,175	2,159	147,357	417,691

	Unaudited Six months ended 30 June	
	2023 HK$'000	2022 HK$'000
Reconciliations of segment profit or loss:		
Total (loss)/profit of reportable segments	**(17,556)**	14,809
Other loss	**—**	—
Consolidated (loss)/profit for the period	**(17,556)**	14,809

6. INVESTMENT AND OTHER INCOME

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Interest income on bank deposits	**633**	7	**676**	8
Dividend income from equity investments	**45**	13	**113**	13
Government grants	**–**	216	**–**	216
Rental income	**–**	288	**–**	288
Service income for coal fire extinguishment works	**449**	13,042	**8,117**	13,042
Sundry income	**194**	1,003	**304**	1,212
	1,321	14,569	**9,210**	14,779

7. OTHER GAINS AND LOSSES

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Loss on disposal of financial assets at FVTPL	**–**	(542)	**–**	(191)
Fair value loss on financial assets at FVTPL	**(1,156)**	(2,516)	**(1,761)**	(6,016)
(Impairment loss)/reversal of impairment loss on trade and other receivables	**(2,734)**	36,511	**(4,059)**	31,033
	(3,890)	33,453	**(5,820)**	24,826

8. INCOME TAX CREDIT

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Current tax				
— Hong Kong & PRC				
Income tax expenses	**204**	99	**271**	141
Deferred tax credit	**(844)**	(1,084)	**(1,590)**	(2,360)
	(640)	(985)	**(1,319)**	(2,219)

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%.

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

PRC Enterprise Income Tax has been provided at a rate of 25% (2022: 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.

9. (LOSS)/PROFIT FOR THE PERIOD

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

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023 HK$'000	2022 HK$'000	**2023 HK$'000**	2022 HK$'000
Directors' remuneration	**1,046**	1,046	**2,092**	2,092
Cost of inventories sold of supply chain management services for mineral business	**46,404**	35,207	**145,154**	78,936
Cost of mining and metallurgical machineries production	**3,476**	4,933	**6,706**	11,568
Depreciation				
— owned property, plant and equipment	**841**	1,898	**1,691**	3,058
— right-of-used assets	**286**	301	**580**	618
Amortisation of intangible assets (included in administrative and other operating expenses)	**2,546**	2,695	**5,165**	5,488
Loss on disposal of financial assets at FVTPL	**–**	542	**–**	191
Fair value loss on financial assets at FVTPL	**1,156**	2,516	**1,761**	6,016
Staff costs (including directors' emoluments)				
Basic salaries, bonuses, allowances, and benefits in kind	**5,067**	5,219	**10,293**	11,425
Retirement benefits scheme contributions	**76**	86	**155**	186
Impairment loss/(reversal of impairment loss) on trade and other receivables	**2,734**	(36,512)	**4,059**	(31,033)

10. DIVIDENDS

No dividend has been declared by the Company the six months ended 30 June 2023 (Six months ended 30 June 2022: Nil).

11. (LOSS)/EARNINGS PER SHARE

The calculations of the basic (loss)/earnings per share are based on the following data:

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
(Loss)/profit for the purpose of calculating basic (loss)/earnings per share	**(13,406)**	29,756	**(16,654)**	13,760
Number of shares *(Thousand shares)*				
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	**576,566**	576,566	**576,566**	576,566

No diluted (loss)/earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the period ended 30 June 2023 and 2022.

12. FINANCE COSTS

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Interest on bond payables	**780**	4,507	**1,950**	5,757
Interest component of lease liabilities	**12**	49	**25**	73
Others	**1,266**	394	**1,790**	801
	2,058	4,950	**3,765**	6,631

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment of approximately HK$9,000 (Six months ended 30 June 2022: HK$3.28 million).

14. INTANGIBLE ASSETS

	Mining rights HK$'000
Cost	
1 January 2022	182,469
Additions	128,556
Transfer from exploration and evaluation assets	47,766
Exchange differences	(19,696)
At 31 December 2022 and 1 January 2023	339,095
Additions	15,771
Exchange differences	(15,738)
At 30 June 2023	339,128
Accumulated amortisation	
1 January 2022	54,434
Amortisation for the year	10,689
Exchange differences	(4,594)
At 31 December 2022 and 1 January 2023	60,529
Amortisation for the period	5,165
Exchange differences	(2,907)
At 30 June 2023	62,787
Carrying amount	
At 30 June 2023	276,341
At 31 December 2022	278,566

At 30 June 2023, 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.

In 2018, the Group entered into an agreement with Turpan Gaochang District Government for the consolidation of nearby small-scale mines with the Group's coal mine in Xingliang (the "Consolidation Project").

During the year ended 31 December 2022, the Consolidation Project was completed and the Group received a new mining right license for the enlarged mining area of the coal mine in Xingliang (the "Enlarged Xingliang Mine"). Pursuant to the new mining rights, the mining area of the Group's mining operation was increased from 1.0822 square kilometers to 8.864 square kilometers with increased coal reserves. The new mining rights of the Enlarged Xingliang Mine are 32 years from 2022 to 2054.

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 for mining rights that have been recognised in profit or loss. The recoverable amount of approximately HK$128,035,000 for the relevant asset has been determined on the basis of their value in use using discounted cash flow method. The discount rate used was 29.2%. 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 year as compared to previous year; and (ii) the demand of long-flame coal continued to be high in the year. These caused in favorable coal market condition. All these reasons have had significant impact on the value in use assessment for the year with an increase in cash flows expected to be received.

15. TRADE AND BILLS RECEIVABLES

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
Trade receivables	105,683	93,631
Allowance for doubtful debts	(46,774)	(43,235)
	58,909	50,396
Bills receivables	86	110
	58,995	50,506

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:

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
0–30 days	15,809	33,944
31–60 days	562	11,923
61–90 days	3,226	265
91 days–365 days	40,730	4,824
Over 1 year	45,356	42,785
	105,683	93,741

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

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
HK$	**339**	171
RMB	**57,916**	49,595
US$	**740**	740
	58,995	50,506

16. TRADE PAYABLES

At 30 June 2023, the ageing analysis of trade payables based on the date of receipt of goods, is as follows:

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
0–30 days	**13,516**	9,554
31–60 days	**1,630**	11,060
61–90 days	**1,186**	457
91 days–1 year	**4,753**	1,463
Over 1 year	**1,025**	431
	22,110	22,965

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

17. SHARE CAPITAL

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
Authorised:		
5,000,000,000 ordinary shares of HK$0.10 each	500,000	500,000
Issued and fully paid:		
576,566,055 ordinary shares of HK$0.1 each	57,657	57,657

18. CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities (31 December 2022: Nil).

19. COMMITMENTS

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

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
Capital contribution to a subsidiaries	197,275	206,459
Capital expenditures for property, plant and equipment	5,621	5,883
Acquisition of equity investments	16,205	16,960
	219,101	229,302

20. FINANCIAL ASSETS AT FVTPL

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
Equity securities, at fair value		
— Listed in Hong Kong	12,601	14,362
Analysed as:		
Current assets	12,601	14,362

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

	Unaudited as at 30 June 2023 HK$'000	Audited as at 31 December 2022 HK$'000
Held for trading	12,601	14,362

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

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

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

21. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

The global economy is set to slow substantially in 2023 and global GDP growth is projected to be 2.7%, remains weak by historical standards. Core inflation is proving persistent and monetary tightening is expected to have its peak impact this year for many major economies. The reopening of China in early 2023 has provided a boost. Nevertheless, it has lost its steam in the second quarter of 2023, data showed a marked slowdown in consumer spending and faltering business confidence. Fully aware of the challenges ahead, Chinese policymakers have been intensively launching supportive measures to boost consumption and rejuvenate growth momentum recently. The moves, however, are not a miracle cure for what ails China at present.

The Hong Kong economy improved visibly in the first quarter of 2023, Real GDP grew 2.7% year-on-year after 6 straight quarters of decline. While amid an enduringly weak external environment, the growth slows in the second quarter, registering a 1.5% increase from a year earlier. One of the limiting factors that the society is facing is the manpower shortage as the local labour force exhibited a continued downtrend, shrinking by 6% in the past few years. The total number of job vacancies in the private sector almost doubled in 2023, causing the vacancy rate to rise to a nine-year high.

The Group's business, most notably of event management and trust business, witnessed an improvement this year with event management business revenue growing by almost 20% and trust business growing by 10% year on year in the first half the year. The management of the Group sees this year as a promising but challenging combination. The situation we are in is intractable on two counts, one is the manpower shortage, which is likely to cost us a chance to grow our business in an unprecedented period of global change, the other is the squeeze on our profits resulting from the overall inflation. Again, the situation is conflicting, which requires us to act prudently.

Out of the ashes of all that suffering the pandemic brings emerges the sense that only businesses that adapt will persevere. The Group has been working hard to find creative ways for surviving the pandemic, from expanding into new markets to finding new ways to deliver our services. We are grateful that we all are in a better place now. Looking ahead, the Group will continue to streamline the corporate structure and save costs while explore new possibilities for our business in the second half of the year. We hope that in the near future all the hard work will translation into profits, in return for the continued support of our shareholders.

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. It owns 50 sets of safety certificates for mining products and obtains European Standard Certificate in the first quarter of 2023. 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 2023

The massive influx of import coal into the Chinese market, coupled with the fact that March is considered to be the start of the off-season for coal in China, resulted in a record high power coal stocks in recent years in late May and a decline in coal prices. However, with the traditional summer peak season starting in June, the rise of seasonal demand will help destock the coal, and sustained high temperatures will help drive the demand for electricity and coal.

The Group believes that the steady growth of the Mainland economy and the rising demand for coal and electricity, coupled with the traditional peak summer coal season in July and August, are expected to drive the growth of the domestic demand for coal machinery and equipment, and boost the business volume of Tengzhou Kaiyuan.

(Data from: https://www.stcn.com/article/detail/903341.html)

Tengzhou Kaiyuan Highlights for the 2nd quarter

- Tengzhou Kaiyuan continued to strengthen the company's internal management system, including workflow management, departmental management, research and development and manufacturing process, in order to improve operational efficiency and provide customers with faster and better services.

- Through continuous testing and improvement of mining machinery and equipment, Tengzhou Kaiyuan has successfully enhanced the mechanical performance of the products, and continues the development for cross-border trade, with orders from Vietnam being delivered.

- Through continuous product quality improvement, Tengzhou Kaiyuan has successfully explored new markets and attract new customers, with a cumulative sales revenue of approximately HK$8.29 million.

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 favourable 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 2023

As the epidemic receded and the economic and social development in the mainland improved steadily, the railway showed restorative growth. From January to June 2023, the national railway delivered 1.053 billion tonnes of coal, an increase of 1.6% year-on-year, of which 777 million tonnes of coal were used for electricity, an increase of 13.1% year-on-year. As of 30 June, 363 power plants directly supplied by railways nationwide had 80.76 million tonnes of coal in stock, which are consumable for 30.6 days, maintaining at a high level.

The steady growth of the Mainland's economy and the continued increase in economic activities, coupled with the generally high temperatures this summer, have led to a significant increase in the demand for electric coal in various parts of China, which will help drive the growth of the coal industry chain and bring a positive impact on Shandong Kailai's coal supply chain business.

(Data from: http://finance.people.com.cn/BIG5/n1/2023/0711/c1004-40032398.html)

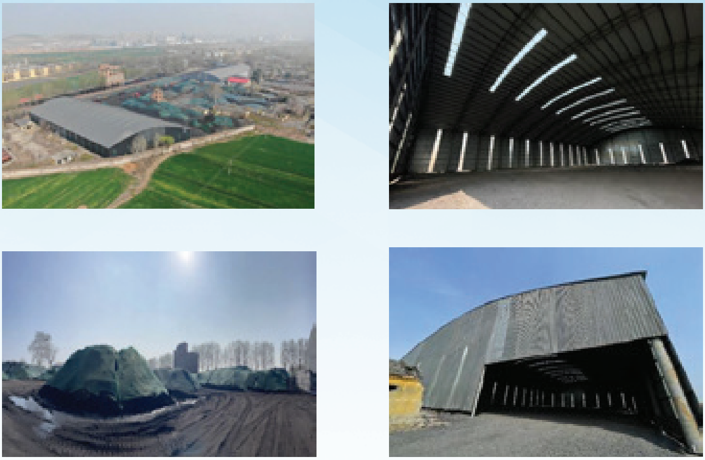
Shandong Kailai for the 2nd quarter

- The reconstruction of wall at the West Cargo Yard of Shandong Kailai was completed in the second quarter, which will help prevent dust pollution, improve the quality of the working environment and reduce the impact of dust on the surrounding environment during daily operations.

- The Group continues the construction of the fourth environmental protection shed to fulfil corporate social responsibility, promote green concepts and enhance its corporate image.

- By putting in place sustainable and environmentally-friendly measures to promote green development, Shandong Kailai's customer base and trade volume continue to grow. In the second quarter, it recorded a cumulative sales revenue of approximately HK$117.31 million, an increase of 56% that of last year.

Shandong Kailai Wall Reconstruction



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 submitted in 2021, and a cooperation agreement has been reached with the subcontractor, started the fire extinguishing project in the third quarter, received a mining license of 1.2 million tons in the fourth quarter of 2022.

Analysis of Xinjiang's coal industry in 2023

With the country's economy steadily picking up and energy demand continuing to rise, Xinjiang's coal supply chain has been expanding, with a sharp increase in its production and sales. Data from the National Bureau of Statistics shows that from January to May 2023, the output of raw coal in Mainland China was 1.91 billion tons, a year-on-year increase of 4.8%; of which 183.49 million tonnes were from Xinjiang, a year-on-year increase of 24.1%. Xinjiang's coal shipments amounted to 22.98 million tonnes, a year-on-year increase of 21.69%, showcasing Xinjiang's pivotal role in the country's energy supply.

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 and sufficient coal demands within and outside the region. 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.sxcoal.com/news/4679794/info)

Xingliang Mine for the 2nd quarter

- Since the fire extinguishing project was due in September 2022, Xingliang Mine continued to apply for an extension of the project, which is expected to be approved in the third quarter of 2023.

- The management team from Hong Kong travelled to Turpan to follow up on the mining site and the progress of various assessments, as well as to ensure that the construction team is ready and well prepared once the fire extinguishment project restarts.

Mining machineries on standby in the mining area

Xingliang Mine's Staff quarters

Daily operations of Xingliang Mine

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 2023

According to the statistics from the National Statistical Office of Mongolia, in the first half of 2023, Mongolia's coal output totalled 31.882 million tons, an increase of 205.45% over the same period last year; coal exports totalled 28.35 million tons, a year-on-year increase of 250.82%, of which more than 99% were exported to China, reflecting the dependence of Mongolia's coal industry on China.

The Group believes that Mongolia will continue to capitalize on its geographical advantages with China to increase investments in its coal industry and make use of its coal railway network with China to export coal, which will benefit the business development of the Choir Logistics Centre in the long run.

(Data from: https://coal.in-en.com/html/coal-2631954.shtml)

Choir Project for the 2nd quarter

- The Group cooperated with Sainsaikhan Consulting Services LLC to be the construction, operation and strategic contractor of the Choir Project. In the second quarter, the Group and its contractor continued to seek mutual benefit and work hand-in-hand to foster the development of the Choir Project, and recorded a revenue of approximately HK$645,000 in cooperation share.

Choir Logistic Platform

AGRICULTURAL INVESTMENT AND DEVELOPMENT

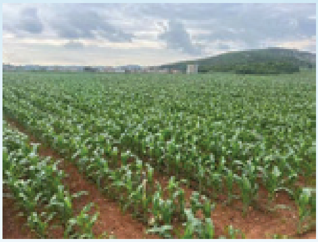
Kaisun Group continues to provide professional guidance and service on internal control and audit to support the business development of Cheung Lee Agricultural Co., Limited ("Cheung Lee") such as daily operation, financial control, legal advice and development in other aspects.

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 2nd quarter

- Cheung Lee plans to explore markets with potential and actively develop other business segments, including agri-trade, agricultural organic nutrient solutions, etc..

- Consolidate the existing vegetable business segment and continue to aim at improving the quality of vegetables to boost consumer confidence.

Yunnan Agricultural Base

THIRD QUARTER 2023 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 3rd quarter are as follows:

Shandong — Mining and Metallurgical Machinery Production

- Tengzhou Kaiyuan plans to optimise its products in the third quarter to explore more potential customers and increase operating revenue, while strengthening cost management with the goal of increasing yield and improving operating profit.

Shandong — Supply Chain Management Services

- Shandong Kailai will continue its construction of the fourth environmental protection shed with the aim of reducing dust pollution and fulfilling environmental responsibility.

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 supplied by Xingliang Mine.

- Continue to undergo the extension procedures of the coal fire extinguishing project, and expects to obtain approval in the third quarter of 2023 and will gradually resume the fire extinguishing project. In the third quarter, Xingliang Mine will focus on increasing the area of the fire extinguishing project and expand its scope of business.

Mongolia — Supply Chain Management Business

- Continue to maintain close contact with the partner team and keep a close understanding of the situation to ensure the smooth operation of the project and to bring stable revenue to the Group.

Agricultural Investment and Development

- Cheung Lee plans to strengthen the development of its agricultural organic nutrient solution segment and expand its sales network. The management team paid a visit to Donggang, Liaoning to visit the local strawberry and blueberry production bases and held talks with the local government officials for potential cooperation plans.

- Promote natural and high-quality vegetable planting to increase brand reputation.

KAISUN BUSINESS SOLUTIONS

EVENT MANAGEMENT & CONSULTING BUSINESS

Our event management subsidiary is gradually getting back to normal as expected after the full resumption of unrestricted cross-border travel between mainland China and Hong Kong in the first half of the year. The team secured a number of large Chinese state-owned companies as new clients, in addition to that, it won contracts for projects such as the inauguration ceremony of HK Sichuan Community Organizations, the Belt and Road Forum, which have propped up the first-half revenue in a large degree.

The second half of the year typically ushers in the peak season for the MICE industry, coupled with the further resumption of travel between mainland and Hong Kong. Therefore, there will be more opportunities for the team to secure cooperations in the area of exhibition, investment promotion events and the like and it is expected the business volume will climb significantly in the second half of the year. In terms of the manpower, the team hopes to maximize each member's contribution to work while start hiring for increasing our market share in the near future.

ESPORTS BUSINESS

The eSports subsidiary's signature IP — GIRLGAMER 2022–2023 World Tour has officially concluded in Bahrain in March this year. In the first half of the year, the team signed MOU with new partners in Britain and the United States and is hammering out the details together with other local partners for the coming season. The first stop of this year's GIRLGAMER World Tour will be in South Korea in August. Thanks to the vogue of games and live broadcasting in Asia in recent years, the first tournament's live streaming is expected to gain satisfactory views and exposure.

With an insight into the industry trajectory, the management of the group realizes that after years of fanfare, the e-sports industry has hit a wall and is giving way to economic realities in recent years and it still lags traditional competitive sports on generating revenue. In the second half of the year, the team needs to mull over its future business model and set a stop loss while decide on the next move after further discussions with shareholders.

KAISUN TRUST

The total assets under administration of Kaisun Trust reached $184 million by the end of the second quarter this year, an increase of $30 million compared to the preceding quarter. Its total business rose nearly 10% year to year in the first half of the year. After the reopening of China, the team felt the needs to expand its business. Therefore, the team's priority for the second half of the year is still to find suitable talents for expanding the team size.

Looking forward to the third quarter, the team will strive to secure more working capital and strengthen its cash flow management. In addition, the team will speed its efforts to expand business in Taiwan also explore business possibilities in Russia to bring new impetus to its development.

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 the past six months, the global economy has returned to normal and stock markets have been rallying. Despite the panic caused by the bank failure in the United States, there is no much sign of a recession. The primary reason is that investors believe that the global economy today performs better than expected last year, most notably in Europe, the United States and Japan. In Hong Kong, the local economy has also gradually recovered to normal after the reopening of mainland — Hong Kong border. With the concerted efforts made by the local Government to promote Hong Kong and the support of tourist expenditure, the retail market recorded a growth of 21% in the first half of the year. Hong Kong stock market was still a laggard performer, compared with other markets. The Hang Seng Index fell nearly 4% in the first half of the year and remained hovering around 20,000 psychological level for a long time and we believe this can be ascribed to the weak market and the sharp decline of RMB against the US dollar. However, in the second half of the year, the HSI still has the chance to regain ground of 22,400 points at the beginning of the year as the market raises its forecast for China's economic growth. As our investment strategy, the investment committee will use the averaging down to buy in blue chip stocks and stocks that pay dividend to lower the risk of new economy stocks meanwhile is considering selling long-held stocks that already gave return.

As at 30 June 2023, the fair value of listed investment was HK$12,600,665. The cost of listed investment was HK$33,372,295.

During the six months end 30 June 2023, part of our existing securities portfolio recorded an unrealized loss. The unrealized fair value loss was HK$1,760,926. Dividend received from listed securities was HK$112,880, 166 shares of JD.com (HKEx: 9618) and 350 shares of Meituan (HKEx: 3690) as dividend.

FINANCIAL REVIEW

Revenue of the Group for the six months ended 30 June 2023 amounted to approximately HK$161.6 million, representing a increase of approximately 23.4% when compared with the same period in 2022 (six months ended 30 June 2022: HK$131.0 million). The increase in revenue was mainly attributable to increase of revenue for provision of supply chain management and logistic services for mineral business following the ease of COVID-19 pandemic during the first half of 2023 when compared with the first half of 2022.

The Group's gross profit for the six months ended 30 June 2023 decrease by approximately 20.2% to approximately HK$8.3 million when compared with the same period in 2022 (six months ended 30 June 2022: HK$10.4 million). Despite the increase of revenue, the gross profit of the Group decreased as over 80% of the Group's revenue were contributed from the Group's supply chain management services for mineral business, which traditionally generated only a thin profit margin.

For six months ended 30 June 2023, the total administrative and other operating expenses was approximately HK$26.8 million, decrease of approximately 13% compared with the same period in 2022 (six months ended 30 June 2022: HK$30.8 million), the decrease in the administrative and other expenses was mainly attributable to the decrease of sales and market expenses and decrease in staff cost.

The Group recorded a one-off reversal of impairment loss on trade and other receivables of approximately HK$31 million as other gains during the six months ended 30 June 2022, the absence of such other gains led to the record other losses of approximately HK$5.8 million during the six months ended 30 June 2023.

For six months ended 30 June 2023, the loss from operations was approximately HK$15.1 million (profit from operations for six months ended 30 June 2022: HK$19.2 million). The loss from operation was primarily due to the combined effect of (i) decrease in investment and other income and record of other losses as listed in note 6 and 7 to the Group's condensed consolidated statement of profit or loss; (ii) decrease in administrative and other operating expenses; and (iii) decrease in gross profit.

The Group recorded a loss of approximately HK$17.6 million for six months ended 30 June 2023, turning from profit to loss when compared with the same period in 2022 (profit for six months ended 30 June 2022: HK$14.8 million).

The total comprehensive expense attributable to owners of the Company for six months ended 30 June 2023 amounted to approximately HK$18.7 million (The total comprehensive income attributable to owners of the Company for six months ended 30 June 2022: HK$9.2 million).

As at 30 June 2023, the Group held financial assets at FVTPL of approximately HK$12.6 million, wholly comprised of securities listed in Hong Kong. In the uncertain performance of Hong Kong stock market as at 30 June 2023, no gain or loss on disposal of financial assets at FVTPL (loss on disposal of financial assets at FVTPL for the six months ended 30 June 2022: HK$0.2 million), whilst the fair value loss on financial assets at FVTPL was approximately HK$1.8 million for six months ended 30 June 2023 (fair value loss for six months ended 30 June 2022: HK$6.0 million). The details of financial assets at fair value through profit or loss are set out as follow:

Company Name	Number of shares held as at 30 June 2023	% of share-holding as at 30 June 2023	Unrealized gain/(loss) on fair value change for the year ended 30 June 2023	Fair value as at 30 June 2023	Fair value as at 31 December 2022	% of the Group's total assets as at 30 June 2023	Investment cost	Reasons for fair value loss
			HK$	**HK$**	HK$		HK$	
Hong Kong Listed Securities								
Baidu, Inc. (9888) *(Note 1)*	1,100	0.00004%	23,210	**146,080**	122,870	0.03%	182,700	—
Bilibili Inc. (9626) *(Note 2)*	660	0.0002%	(46,266)	**77,022**	123,288	0.02%	391,610	Drop in share price
ENN Energy Holdings Limited (2688) *(Note 3)*	10,000	0.0009%	(120,000)	**976,000**	1,096,000	0.19%	971,495	Drop in share price
Hong Kong Exchanges and Clearing Limited (0388) *(Note 4)*	5,000	0.0004%	(210,000)	**1,476,000**	1,686,000	0.29%	1,799,000	Drop in share price
HSBC Holdings plc (0005) *(Note 5)*	30,000	0.0001%	373,500	**1,830,000**	1,456,500	0.36%	1,468,500	—
JD.com Inc. (9618) *(Note 6)*	166	0.00001%	(14,575)	**21,978**	36,553	0.004%	—	Drop in share price
MEITUAN (3690) *(Note 7)*	350	0.00001%	42,805	**42,805**	—	0.01%	—	—
Tencent Holdings Limited (0700) *(Note 8)*	3,500	0.00004%	(8,400)	**1,160,600**	1,169,000	0.23%	1,994,750	Drop in share price
Tracker Fund of Hong Kong (2800) *(Note 9)*	80,000	0.0012%	(53,600)	**1,540,000**	1,593,600	0.30%	1,620,800	Drop in share price
Wealthking Investments Limited (1140) *(Note 10)*	17,476,000	0.1661%	(1,747,600)	**5,330,180**	7,077,780	1.04%	24,943,440	Drop in share price
Total			(1,760,926)	**12,600,665**	14,361,591	2.47%	33,372,295	

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. ENN Energy Holdings Limited (HKEx: 2688) — The principal businesses of ENN Energy Holdings Limited are gas connection, sales of piped gas, construction and operation of vehicle gas refuelling stations, wholesale of gas, distribution of bottled liquefied petroleum gas ("LPG") and sales of gas appliances and materials.

4. Hong Kong Exchanges and Clearing Limited (HKEx: 0388) — Hong Kong Exchanges and Clearing Limited is Own and operate the only stock exchange and a futures exchange in Hong Kong and their related clearing houses, trading of base metals forward and options contracts operating in the UK.

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. JD.com Inc (HKEx: 9618) — JD.com Inc is a leading technology driven e-commerce company transforming to become a leading supply chain-based technology and service provider.

7. Meituan (HKEx: 3690) — Meituan provides platform which uses technology to connect consumers and merchants and offer diversified daily services, including food delivery, in-store, hotel and travel booking and other services.

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

9. Tracker Fund of Hong Kong (HKEx: 2800) — Tracker Fund of Hong Kong is a unit trust which is governed by its Trust Deed dated 23rd October 1999, as amended, supplemented or restated from time to time. The Fund is authorized by the Securities and Futures Commission of Hong Kong under Section 104(1) of the Hong Kong Securities and Futures Ordinance.

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

As at 30 June 2023, the Group held financial assets at FVTOCI with carrying amount of approximately HK$10.4 million, comprised of unlisted equity securities in British Virgin Islands and redeemable preference shares. The details of financial assets at FVTOCI are set out as follow:

Company Name	% of shareholding as at 30 June 2023	Investment Cost As at 30 June 2023 HK$	Investment Cost As at 31 December 2022 HK$	Carrying amount As at 30 June 2023 HK$	Carrying amount As at 31 December 2022 HK$	% of carrying amount to the Group's total assets as at 30 June 2023
Financial assets at FVTOCI						
Cheung Lee Farming Corporation *(Note 1)*	8.7%	**8,700,000**	8,700,000	**900,000**	900,000	0.18%
Xin Ying Holdings Limited *(Note 2)*	N/A	**8,000,000**	8,000,000	**9,500,000**	9,500,000	1.86%
		16,700,000	16,700,000	**10,400,000**	10,400,000	

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. 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 30 June 2023, the Group held 8,000,000 redeemable preference shares of Xin Ying.

Liquidity and Financial Resources

As at 30 June 2023, the Group has bank and cash balances and deposits in a licensed corporation of approximately HK$6.4 million (as at 31 December 2022: HK$7.8 million) and HK$26.4 million (as at 31 December 2022: HK$26.2 million) respectively.

The net current liabilities of the Group as at 30 June 2023 amounted to approximately HK$217.4 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. The Company will issue further announcements as of when appropriate in this regard.

Capital structure

As at 30 June 2023, the Company has 576,566,055 shares of HK$0.1 each in issue. The value of share capital was approximately HK$57.66 million as at 30 June 2023 (31 December 2022: approximately HK$57.66 million).

Charges on the Group's assets

There was no charge on the Group's assets as at 30 June 2023 and 31 December 2022.

Gearing Ratio

The Group's gearing ratio, which represents the ratio of the Group's bonds payables over the Group's total assets, was 0.09 as at 30 June 2023 (as at 31 December 2022: 0.09).

Foreign Exchange Exposure

Majority of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars, Renminbi ("RMB") and United States dollars. As at 30 June 2023, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

Human Resources

As at 30 June 2023, the Group had 107 (as at 31 December 2022: 108) staff in Hong Kong and China.

The Group continues to employ, promote and reward its staff with reference to their performance and experience. In addition to their basic salaries, the Group's employees are also entitled to other fringe benefits such as provident fund. The management will continue to closely monitor the human resources requirements of the Group, and will also put emphasis on the staff quality. During the period, the Group had not experienced any significant labour disputes which led to the disruption of its normal business operations. The Directors consider the Group's relationship with its employees to be good.

The total staff costs, including Directors' emoluments, amounted to approximately HK$10.4 million for the six months ended 30 June 2023 (six months ended 30 June 2022: HK$11.6 million).

UPDATE OF THE GROUP TO ADDRESS THE DISCLAIMER OF OPINION AND OTHER MODIFICATIONS

Reference is made to the section headed "ACTION PLAN OF THE GROUP TO ADDRESS THE AUDIT MODIFICATION AND REMOVAL OF AUDIT MODIFICATION" set out in the Corporate Governance Report included in the Annual Report 2022 of the Company, the management of the Company would like to provide the following updates with regard to the Disclaimer of Opinion (the "Disclaimer") and Other Modification expressed by the Company's auditors for the Group's financial statements for the year ended 31 December 2022:

The Disclaimer

The increase in revenue and service income for coal fire extinguishment works of the Group reflected the gradual resumption of the normal business activities of the Group following the easing of the COVID-19 Pandemic, the management believes that with improvement of business of the Group, the Group shall be able to generate positive cash flows from operations in the future, which would help to improve the Group's liquidity and therefore could help to address the Disclaimer.

Reference is also made to section headed "Loans to Up Energy Development Group Limited and Advance of Restructuring Cost" set out in the Management Discussion and Analysis included in the Annual Report 2022 of the Company. The management of the Company would like to update the stakeholders and potential investors of the Company that the liquidation of Up Energy is still in progress. In addition to the dead of novation entered by the Group with its creditors resulting from reversal of impairment loss on trade and other receivables of approximately HK$29,978,000 during 2022, the management of the Group is still optimistic on the recovery of the remaining outstanding balances of trade receivables, loans to Up Energy and the advanced restructuring cost (together "amounts due from Up Energy"). Upon recovery of amounts due from Up Energy with related interest receivables, following the completion of the liquidation procedures, it is expected that the liquidity of the Group will be improved. Further updates will be provided as and when appropriate.

The Group will continue to actively negotiate with its creditors with a purpose to further improve the liquidity of the Group. Although there are progresses on addressing the Disclaimer, as the management's assessment of the Group's ability to continue as a going concern for the purposes of preparing the Group's consolidated financial statements for the year ending 31 December 2023 has to take into consideration of the future conditions and circumstances and could only be made at the end of the relevant reporting period, the management is unable to ascertain at this moment whether and when the Disclaimer can be removed.

Other Modifications

In respect of discontinued operations in the production and exploitation of coal business in Tajikistan, the Group obtained a draft legal memo from its legal advisor with an aim to resolve the audit issue. The auditor of the Group basically agreed that the content of the draft legal memo can be used to resolve the audit issue. Nevertheless, the draft legal memo involved legal issues on BVI, and therefore the Group also needs to obtain a BVI legal opinion in order to fully resolve the audit issue. The Company is currently in the course of sourcing BVI legal advisors to issue the abovementioned BVI legal opinion.

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

PRIOR PERIOD ERRORS IN RELATION TO INTERIM REPORT 2018 OF THE COMPANY

The Interim Report 2018 of the Group contained certain errors in respect of adoption of IFRS 9 in relation to (i) classification and measurement of certain investments held by the Group disclosed as "Available-For-Sale Financial Assets", and (ii) estimation of expected credit losses for impairment assessment in respect of trade and other receivables of the Group. The management of the Company is in the process of drafting the relevant disclosure on the abovementioned errors, and it is expected that the relevant disclosure will be made in the next quarterly report of the Company.

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

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

Name of Directors	Capacity	Number of Shares as at 30 June 2023	Approximate percentage of the total issued Shares as at 30 June 2023
Chan Nap Kee, Joseph	Beneficial owner	167,263,298 *(Note 1)*	29.01%
Yang Yongcheng	Beneficial owner	1,675,000 *(Note 2)*	0.29%
Wong Yun Kuen	Beneficial owner	525,000 *(Note 3)*	0.09%
Liew Swee Yean	Beneficial owner	204,000 *(Note 3)*	0.04%
Chen Chun Long	Beneficial owner	6,147,000 *(Note 4)*	1.07%
Ching Ho Tung, Philip	Beneficial owner	220,000 *(Note 4)*	0.04%

Save as disclosed above, as at 30 June 2023, none of the Directors or Chief Executives of the Company had any interest or short position in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Ordinance) which is required to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or any interests required to be entered in the register maintained in accordance with Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors.

Notes:

1. After allotment of rights shares on 16 January 2017 and share consolidation of 10 shares into 1 share became effective on 16 February 2017, the total number of shares beneficially owned by Mr. Chan Nap Kee, Joseph ("Mr. Chan") was 160,212,298. Of these, 2,004,000 shares were shares awarded to Mr. Chan as Director on 30 December 2015 under 2013 Share Award Scheme. In addition, 2,750,000 shares were purchased by Mr. Chan Nap Kee, Joseph on the market from 29 March to 31 December 2017. Hence total number of shares owned by Mr. Chan was 161,882,298 as at 31 December 2017.

   On 22 March 2018, 3,081,000 shares were shares awarded to Mr. Chan as Director under the Share Award Scheme 2016. Hence, the total no. of shares owned by Mr. Chan was 164,963,298. In addition, 1,490,000 shares were purchased by Mr. Chan on the market from 29 June 2018 to 31 December 2018. Hence the total number of shares owned by Mr. Chan was 166,453,298 as at 31 December 2018.

   During the year ended 31 December 2019, 810,000 shares were purchased by Mr. Chan on the market. Hence the total number of shares owned by Mr. Chan was 167,263,298 as at 30 June 2023.

2. Of these, 400,000 shares were shares awarded to Mr. Yang Yongcheng as Director on 30 December 2015 under the Share Award Scheme 2013. On 22 March 2018, 1,000,000 shares were shares awarded to Mr. Yang as Director under the Share Award Scheme 2016. In addition, 60,000 shares were purchased by Mr. Yang on the market from 12 November 2018 to 31 December 2018.

3. Of these, 150,000 shares were shares awarded to each of Mr. Liew Swee Yean and Dr. Wong Yun Kuen as Director on 30 December 2015 under the Share Award Scheme 2013.

4. These were shares held by Mr. Chen Chun Long and Mr. Ching Ho Tung as at 19 June 2019 when they were appointed as joint Chief Executive Officers of the Company.

2. Interests of Substantial Shareholders in Shares of the Company

As at 30 June 2023, so far as is known to the Directors of the Company, the persons who had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions in Shares and underlying Shares

Name of Shareholders	Capacity and nature of interest	Number of shares	Approximate percentage of the total issued shares as at 30 June 2023
Mr. Chan Nap Kee, Joseph	Beneficial Owner	167,263,298	29.01%
Ms. Yeung Po Yee, Bonita	Interest of spouse *(Note 1)*	167,263,298	29.01%
Mr. Zhang Xiongfeng	Beneficial Owner	81,950,000	14.21%
Ms. Wu Mingqin	Interest of spouse *(Note 2)*	81,950,000	14.21%

Notes:

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

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

Save as disclosed above, the Directors were not aware of any other person (other than the directors and the chief executives of the Company) who, as at 30 June 2023, had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under provisions of Divisions 2 & 3 of Part XV of the SFO.

3. Share Schemes

The Company has adopted two share schemes, namely the new share option scheme and the new share award scheme pursuant to resolutions passed by the shareholders of the Company on 14 July 2023, which are in compliance with the requirements of the GEM Listing Rules effective from 1 January 2023. The total number of shares which may be allotted and issued upon exercise of all share options and grant of share awards under the new share option scheme and the new share award scheme must not in aggregate exceed 10% of the total number of shares of the Company in issue as at the adoption date on 14 July 2023, i.e. 57,656,605 shares based on the 576,566,055 shares in issue as at 14 July 2023.

The Company may grant share options to eligible participants to subscribe for the Shares under its share option scheme (the principal terms of which are set out in the Company's circular dated 21 June 2023). No share option was granted during the six months ended 30 June 2023 and the Company had no share option outstanding as at 30 June 2023.

The Company adopted a share award scheme on 14 June 2016 ("Share Award Scheme 2016") and had a term of 5 years from the date of adoption, the Share Award Scheme 2016 was expired on 13 June 2021. The total number of shares in the Share Award Scheme 2016 as at 30 June 2023 was 13,610,000, represented approximately 2.36% of the issued capital of the Company.

On 14 July 2023, a new share award scheme ("Share Award Scheme 2023") was adopted (the principal terms of which are set out in the Company's circular dated 21 June 2023), the Company is in the process of transferring the shares in the Share Award Scheme 2016 to the Share Award Scheme 2023.

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

4. Directors' Interest in Competing Business

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

5. Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its listed securities.

CORPORATE GOVERNANCE

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

The Board has established the following committees with written terms of reference which are in line with the Corporate Governance Code (the "CG Code") and Corporate Governance Report stated in Appendix 15 of the GEM Listing Rules. Details of written terms of reference are available on the Company's website: www.kaisun.hk under "Investor Relations" section with heading of "Corporate Governance":

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

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

1. Audit Committee

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

The Audit Committee comprises three independent non-executive directors, namely Mr. Liew Swee Yean, Dr. Wong Yun Kuen and Mr. Wu Zheng, and Mr. Liew Swee Yean is the chairman of the Audit Committee.

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

The Group's financial statements for the six months ended 30 June 2023 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with applicable accounting standard and legal requirements, and that adequate disclosures have been made.

2. Code on Corporate Governance Practices

The Board is committed to maintain good standard of corporate governance practices and procedures. The Company has complied with the code provisions set out in the CG Code throughout the six months ended 30 June 2023 under review.

3. Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the six months ended 30 June 2023. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors.

4. Review of Risk Management and Internal Control Effectiveness

The Board has conducted a review of the effectiveness of the Group's risk management and internal control systems for the six months ended 30 June 2023, covering material financial, operational and compliance controls, and considered that the Group's risk management and internal control systems are effective and adequate.

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

Hong Kong, 11 August 2023

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

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

This report will remain on the GEM website at www.hkgem.com on the "Latest Listed Company Information" page for at least 7 days from the day of its posting, and on the Company's website at www.kaisun.hk.