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## **KAISUN ENERGY GROUP LIMITED**

**凱順能源集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8203)

### **ANNOUNCEMENT PROFIT WARNING**

**This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules. The Board wishes to inform the shareholders of the Company and potential investors that the results of the Group for the six months ended 30 September 2009 is expected to record a significant loss based on assessment of the current unaudited financial information available.**

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

This announcement is made by Kaisun Energy Group Limited (the “Company”) and together with its subsidiaries, (the “Group”) pursuant to Rule 17.10 of the Rule Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that it expects the results of the Group for the six months ended 30 September 2009 will record a significant loss, compared with the corresponding period last year, based on assessment of the current unaudited financial information available. The expected loss is the result of: (i) impairment loss of the fair value of the derivative liability of the convertible bonds issued by the Company on 10 June 2008 (“Bonds”), the principal terms of which are set out in the Company’s circulars dated 30 April 2008 and 17 August 2009, upon the conversion of such Bonds which took place during the six months ended 30 September 2009; (ii) impairment loss of the fair value of the derivative liability of the replacement bonds issued by the Company in September 2009, the principal terms of which are set out in the Company’s circular dated 17 August 2009, because of a significant increase in the share price of the Company as at 30 September 2009 (being the date of valuation of the fair value of the derivative liability of such replacement bonds); and (iii) the increase in finance cost in respect of the Bonds, being the interest payment and expenses on conversion of the Bonds. It is to be noted that although the Bond have created a negative impact in the Consolidation Statement of Comprehensive Income, it has improved the gearing ratio of the Group.

Information contained herein represents a preliminary assessment by the management of the Company based on the unaudited Management Accounts of the Group for the six months ended 30 September 2009. Further details of the Group's financial information for the six months ended 30 September 2009 will be disclosed in the unaudited interim results for the six month ended 30 September 2009, which is expected to be published in November 2009.

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

By order of the Board  
**Kaisun Energy Group Limited**  
**Chan Nap Kee, Joseph**  
*Chairman*

Hong Kong, 30 October 2009

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its publication.*

\* *for identification purpose only*