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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)

### **VOLUNTARY ANNOUNCEMENT REGARDING POSITIVE PROFIT ALERT FOR THE NINE MONTHS ENDED 31 DECEMBER 2009**

**This announcement is made on a voluntary basis for assisting the Shareholder(s) to interpret the Company's results announcement for the nine months ended 31 December, 2009 ("Third Quarterly Results Announcement") with reference to the Company's announcement "Positive Profit Alert" dated 26 January, 2010 ("Positive Profit Alert Announcement").**

Capitalised terms used herein shall have the same meanings as those defined in the Third Quarterly Results Announcement unless the context requires otherwise.

As shown in the "Condensed Consolidated Statement of Comprehensive Income" of the Group in the Third Quarterly Results Announcement, the unaudited total comprehensive income of the Group for the three months and nine months ended 31 December, 2009 amounted to approximately HK\$852 million (2008: HK\$(12.1) million) and approximately HK\$696 million (2008: HK\$24.6 million) respectively. The increase was mainly contributed by the completion of the acquisition of 21% equity interest in Mengxi Minerals by the Group (the "**Acquisition**") in December 2009. Details of the Acquisition are disclosed in the circular of the Company dated 17 August 2009 and announcements of the Company dated 9 July 2009 and 15 December 2009 respectively.

As shown in the Third Quarterly Results Announcement, during the three months ended 31 December, 2009, the Group recorded a "Gain from a bargain purchase" of approximately HK\$479 million and "Share of other comprehensive profit of an associate" of approximately HK\$396 million as a result of the completion of the Acquisition.

Details of the financial effect of the completion of the Acquisition were explained in the last paragraph in the “**Financial Review**” subsection in the “Management Discussion and Analysis” section of the Third Quarterly Results Announcement (page 18) as follows:

“Upon completion of the Acquisition of 21% Equity Interest in Mengxi Minerals, the Company measured the Fair Value of an Intangible Asset Acquired in a Business Combination in accordance with Hong Kong Accounting Standards 38 (Intangible Assets). As Mengxi Minerals was an associate of the Group, the excess value of the Intangible Assets was accounted for the “Share of Other Comprehensive Income of Associate” was amounting HK\$396 million in the associate level. And then, the excess value over the Cost of Acquisition in Business Combination was accounted for the “Gain from a Bargain Purchase” was amounting to HK\$479 million.”

As disclosed in the Positive Profit Alert Announcement, although the increase in profit does not create a positive impact on cash flow, it improves the asset valuation of the Group.

By order of the Board  
**Chan Nap Kee, Joseph**  
Chairman

Hong Kong, 10 February 2010

*As at the date of this announcement, the executive Directors of the Company 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 of the Company are Mr. Liew Swee Yean, Mr. Siu Siu Ling Robert, Dr. Wong Yun Kuen and Mr. Anderson Brian Ralph.*

*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 date of its posting.*

*\* for identification purpose only*