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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)

**DISCLOSEABLE TRANSACTION:  
DISPOSAL OF 14.57% INTEREST IN A COMPANY**

The Directors announce that the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement with the Purchaser on 30 June 2010, pursuant to which the Vendor has sold, and the Purchaser has acquired, the Sale Shares which comprised 14.57% of the entire issued capital of Long Capital at a consideration of HK\$800,000.

The Disposal constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

**INTRODUCTION**

The Directors announce that the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement on 30 June 2010 for the disposal of 5,100 shares in Long Capital, which comprised 14.57% of the entire issued capital of Long Capital. The principal terms of the Agreement are set out in the paragraph headed “The Agreement” below.

**THE AGREEMENT**

- Date : 30 June 2010
- Vendor : High Focus Group Limited, a wholly owned subsidiary of the Company which held 14.57% of the entire issued share capital of Long Capital
- Purchaser : Asset Profits Limited, a company incorporated in the British Virgin Islands. To the best of the Directors’ knowledge, the principal business of the Purchaser is investment holding. The Purchaser is wholly and beneficially owned by Mr. Tse Ming Hong. Immediately prior to Completion, the Purchaser held 5.71% of the entire issued share capital of Long Capital.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an independent third party who is independent of the Group and connected persons (within the meaning of the GEM Listing Rules) of the Group.

- Subject matter : 5,100 shares in Long Capital, being all the shares in Long Capital owned by the Vendor prior to Completion and comprised 14.57% of the entire issued capital of Long Capital
- Consideration : the price paid by the Purchaser to the Vendor for the purchase of the Sale Shares was HK\$800,000

### **Purchase Price**

The Purchase Price was determined after arm's length negotiations between the parties by reference to the expected realizable value of the Sale Shares and having regard to the fact that the Sale Shares represented a minority interest in a private company and no market exists for disposal of such interest. The Board (including the independent non-executive Directors) considers that the Purchase Price is fair and reasonable.

The Purchase Price was paid in cash by the Purchaser to the Vendor at Completion.

### **Completion**

Pursuant to the Agreement, Completion took place forthwith following signing.

### **FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS**

Taking into account the Purchase Price, the expected professional fees payable for the Disposal and the carrying value of the Sales Shares as at 31 March 2010, it is expected that the Group may record a loss of approximately HK\$2,841,185 from the Disposal.

It is intended that the Purchase Price received by the Vendor will be used for general working capital of the Group.

### **INFORMATION ON THE GROUP**

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the investments in mining, sale and processing of coking coal in the PRC. The Vendor is a company incorporated in the British Virgin Islands with limited liability. It is a wholly owned subsidiary of the Company.

Long Capital is an investment holding company incorporated in the British Virgin Islands with limited liability. Challenger Auto Services Limited is a wholly-owned subsidiary of Long Capital engaging in the business of providing repairs and maintenance services to motor vehicles, operating car accessories shops, car wash, cleaning and beauty services and brokerage of motor vehicle insurance in Hong Kong.

Set out below is a summary of certain consolidated financial information of the Disposal Group for the two years ended 31 March 2009 and 2010 prepared according to Hong Kong Financial Reporting Standards:

	For the year ended 31 March 2010 (audited)	For the year ended 31 March 2009 (audited)
Turnover	HK\$47,367,547	HK\$47,529,012
Net profit/(loss) before taxation and extraordinary items	HK\$3,387,331	(HK\$7,870,540)
Net profit/(loss) after taxation and extraordinary items	HK\$2,833,244	(HK\$7,893,589)

The audited consolidated net tangible asset value and net asset value of the Disposal Group as at 31 March 2010 were about HK\$14,647,805 and about HK\$24,647,805 respectively.

### **REASONS FOR THE DISPOSAL**

The Group's business strategy is to reposition itself as an integrated coke producer in the PRC. The Directors consider it more beneficial to the Group to dispose of its remaining interest in the Disposal Group and focus its management time and resources to the Group's coking coal business, which is expected to contribute positively to the future development and growth of the Group.

For the reasons above, the board of Directors (including the independent non-executive Directors) considers that the terms of the Agreement are fair and reasonable and the Disposal is in the interest of the shareholders of the Company as a whole.

### **LISTING RULES IMPLICATIONS**

The Disposal constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

### **DEFINITIONS**

<b>“Agreement”</b>	the agreement dated 30 June 2010 and entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Shares
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	Kaisun Energy Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM

<b>“Completion”</b>	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Disposal”</b>	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Agreement
<b>“Disposal Group”</b>	Long Capital and its wholly-owned subsidiary, Challenger Auto Services Limited
<b>“GEM”</b>	the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM
<b>“Long Capital”</b>	Long Capital Development Limited, a company incorporated in the British Virgin Islands with limited liability
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“PRC”</b>	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
<b>“Purchase Price”</b>	HK\$800,000
<b>“Purchaser”</b>	Asset Profits Limited, a company incorporated in the British Virgin Islands with limited liability
<b>“Sale Shares”</b>	the 5,100 shares of nominal value US\$1 each in the issued capital of Long Capital, being all the shares in Long Capital owned by the Vendor prior to Completion and comprised 14.57% of the entire issued capital of Long Capital
<b>“Vendor”</b>	High Focus Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company

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

Hong Kong, 30 June 2010

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

*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 or deceptive; and (2) there are no other matters the omission of which would make any statement in this announcement or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the Company’s website at [www.8203.com.hk](http://www.8203.com.hk).*

*\* for identification purpose only*