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KAISUN HOLDINGS LIMITED

凱順控股有限公司*

*(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8203)*

CURRENT DEVELOPMENT ON KAISUN'S BELT AND ROAD STRATEGY: DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF A CONTROLLING INTEREST IN STURGEON CAPITAL LTD

The Board is pleased to announce that on 11 November 2019 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor to acquire the Sale Shares (being 45.56% of the issued share capital of SCH Limited (SCH)) for a consideration of US\$1.00 (HK\$7.8).

SCH holds 90.04% of Sturgeon Capital Ltd (Sturgeon Capital), the remaining 9.96% of which is held by the Purchaser.

Following the completion of the Sale and Purchase Agreement, a share swap and restructuring involving the Purchaser and SCH will take place pursuant to which the Purchaser will transfer its entire shareholdings in Sturgeon Capital in exchange for new issue of SCH Shares. Following completion of this share swap and restructuring, Sturgeon Capital will be wholly-owned by SCH and SCH will be 50.98% owned by the Purchaser.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but is/are less than 25%, the Acquisition constitutes a disclosable transaction for the Company. Hence, it is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 11 November 2019 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor for the sale and purchase of the Sale Shares at the Consideration of US\$1.00 (HK\$7.8), further details of which are set out below.

THE SALE AND PURCHASE AGREEMENT

Brief terms of the Sale and Purchase Agreement are set out below:

- Date:** 11 November 2019 (after trading hours).
- Parties:** (i) Kaisun Energy Management Limited (as *Purchaser*)
(ii) Clemente Cappello (as *Vendor*)
- Consideration:** US\$1 payable by the Purchaser to the Vendor at Completion.
- Conditions Precedent:** Completion shall be conditional:
(i) Upon the FCA granting its permission to the Company being the controlling shareholder of Sturgeon Capital and has not withdrawn such approval on the Completion Date.
- Completion:** Completion shall take place on the Completion Date.
- Completion Date:** A day (to be agreed between the parties) within 3 business days after the satisfaction of the Conditions Precedent.

The consideration was determined after arm's length negotiations between the Purchaser and the Vendor after taking into consideration of the Original Investment in Sturgeon Capital in 2017 of US\$1 million (HK\$7.8 million).

The Vendor, through SCH, is the controlling shareholder of Sturgeon Capital.

The Company, through the Purchaser, has a 9.96% interest in Sturgeon Capital. Save as set out herein, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

Completion took place on the same day as the date of the Sale and Purchase Agreement.

POST COMPLETION RESTRUCTURING

Pursuant to the Share Swap Restructuring Agreement, immediately after the completion of the Sale and Purchase Agreement, the Purchaser and SCH would undertake a share swap pursuant to which:

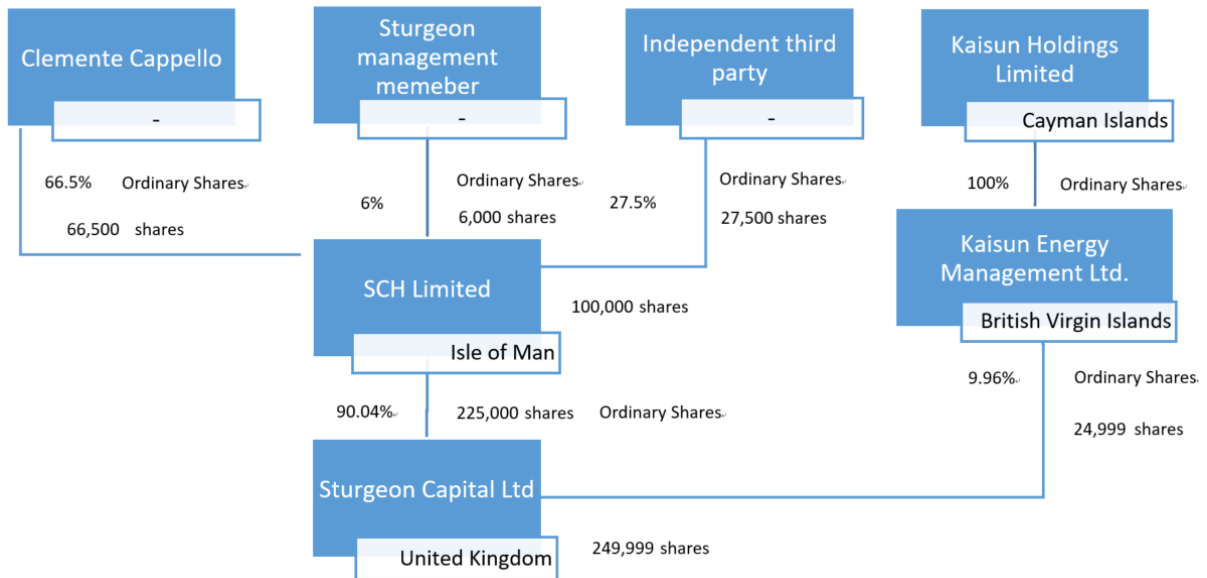
- The Purchaser would transfer its entire interests in Sturgeon Capital (consisting of 9.96% of the entire issued share capital of Sturgeon Capital) to SCH.
- In consideration of the above transfer, SCH would issue new SCH Shares to the Purchaser amounting to 11.11% of the enlarged SCH share capital.

Following the completion of the Share Swap Restructuring Agreement, Sturgeon Capital would become wholly owned by SCH and the Purchaser would become holder of 50.98% of the entire issued share capital of SCH.

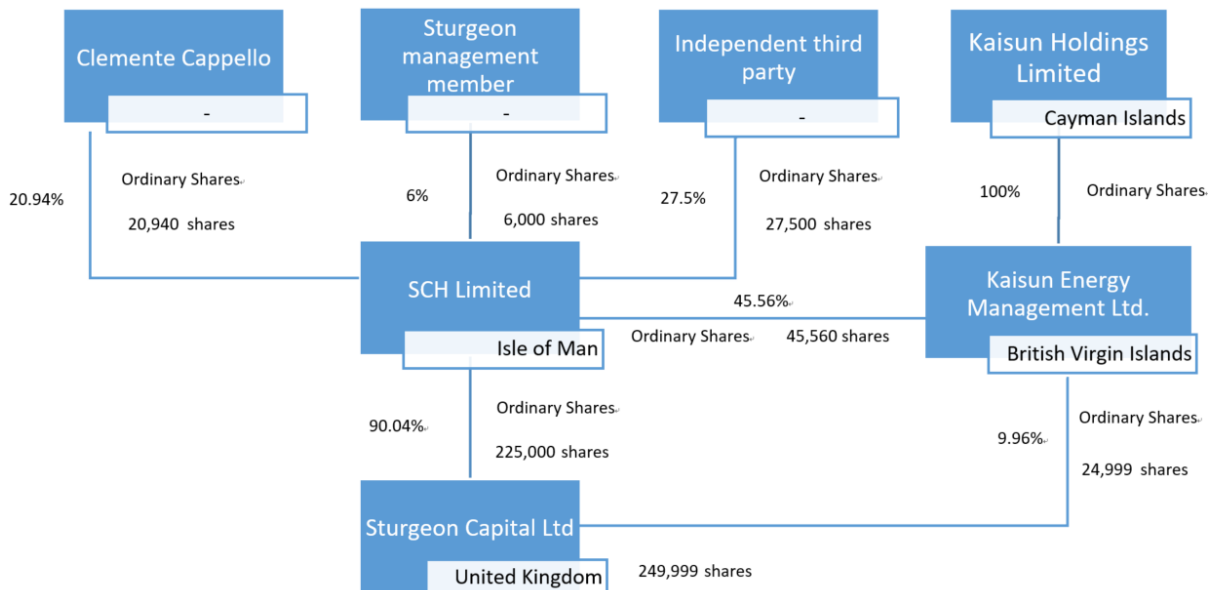
INFORMATION ON THE SCH LIMITED

Set out below is the shareholding structure of the SCH before Completion and upon Completion and upon completion of the Share Swap Restructuring Agreement.

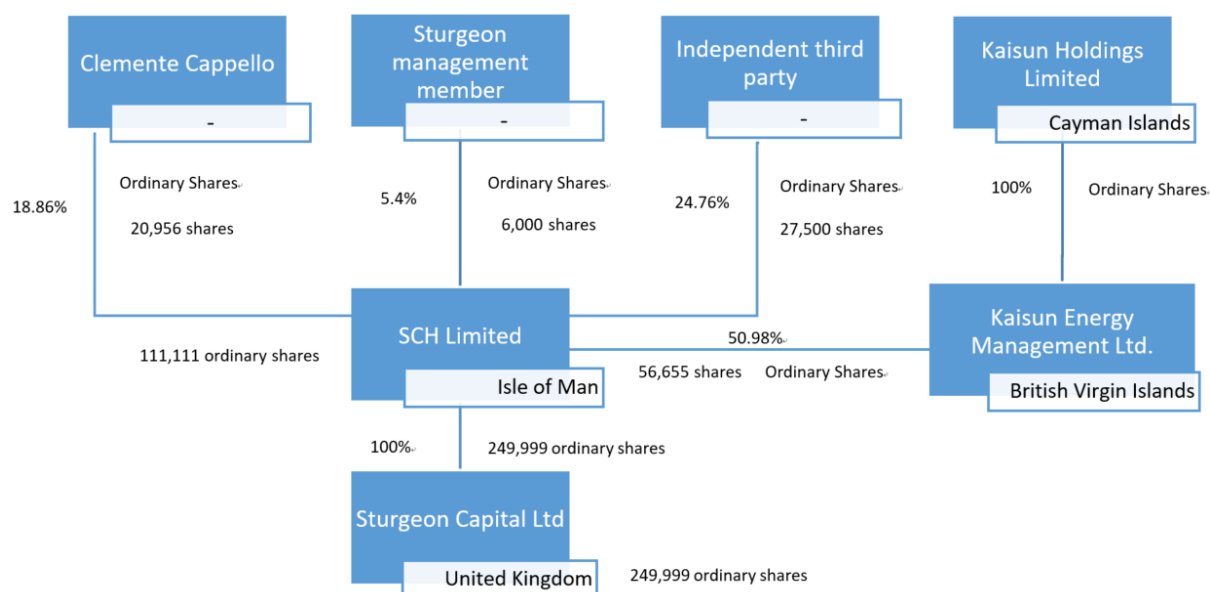
Before Completion



Upon Completion



Upon completion of the Share Swap Restructuring Agreement



SCH is an investment holding company incorporated in the Isle of Man. Since incorporation to the date of this announcement, save for its investments in Sturgeon Capital, SCH has not carried on other businesses and has no other material assets. Immediately prior to the completion of the Share Swap Restructuring Agreement, SCH was wholly-owned by the current and former management of Sturgeon Capital.

Sturgeon Capital is an independent alternative investment manager regulated by the FCA and based in London. It specializes in frontier and emerging markets along the Silk Road region. Sturgeon Capital manages the Sturgeon Central Asia fund, a multi-strategy investment fund focused on Central Asia and the surrounding region. Immediately prior to the Completion of the Sale and Purchase Agreement, Sturgeon Capital was 90.04% owned by SCH and 9.96% owned by the Purchaser.

Save as set out herein, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the members of the SCH and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Financial information of the SCH Limited

Set out below is a summary of the unaudited consolidated financial information of the SCH Limited for the two financial years ended 31 March 2018 and 2019.

	For the year ended 31 March	
	2018 (GBP) <i>Unaudited</i>	2019 (GBP) <i>Unaudited</i>
Net profit (loss) before taxation	189,817	(187,668)
Net profit (loss) after taxation	115,833	(152,754)

The unaudited total assets value of the SCH as at 31 March 2019 and 31 March 2018 were GBP 1,238,182 (equivalent to approximately HK\$12,655,706) and GBP 1,313,199 (equivalent to approximately HK\$14,428,643) respectively.

The unaudited net asset value of the SCH as at 31 March 2019 and 31 March 2018 were GBP940,283 (equivalent to approximately HK\$9,610,823) and GBP1,093,037 (equivalent to approximately HK\$12,009,635 respectively).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is a Cayman Islands holding company listed on GEM. The principal business activity of the Company is investment holding.

Based in Hong Kong, the Company is a committed Belt and Road player and aims to provide market access and conduits to the Belt and Road economies. The Group initially started in investing in coal productions in key areas of Belt and Road regions, such as Xinjiang of China, Mongolia and Central Asia. The Group now has various investments ranging from agriculture, logistics, natural resources as well as professional services in the Belt and Road regions. The management and principals of the Group have significant experience in acting as conduits between Asian investors and the Belt and Road regions.

For the past twelve years, London based Sturgeon Capital has also focused on managing funds (principally publicly traded securities) that invest in the Belt and Road regions, especially the Central Asia region. London is the financial hub at the western end of the Belt and Road.

The Group aims to balance operational and investment portfolio with a light asset business model, while Sturgeon Capital seeks a China angle to its Belt and Road investment theme. Through the Acquisition, the Company aims to leverage Sturgeon Capital's experience and network along the Belt and Road regions to achieve a strategic long term partnership to create more value to the Group.

Furthermore, as recent events have shown, Hong Kong is susceptible to weaknesses in the economic environment of China and to political unrests. While the Group will continue to build on its strengths and ties in China, it is important that the Group adopts a diversification approach and not rely on a single market.

The Acquisition can create a one-stop solution in our Belt and Road investment theme with upstream deal sourcing and downstream exit window; covering both the East and the West.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but is/are less than 25%, the Acquisition constitutes a disclosable transaction for the Company. Hence, it is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

"Acquisition"	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement.
"Board"	the board of Directors of the Company.
"Company"	Kaisun Holdings Limited (凱順控股有限公司*), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM.
"Completion"	Completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement.
"Completion Date"	A day (to be agreed between the parties) within 3 business days after the satisfaction of the Conditions Precedent.
"Conditions Precedent"	Conditions precedent to the completion of the Sale and Purchase Agreement.
"Consideration"	US\$1.00 (HK\$7.8), to be settled in full upon Completion.
"connected person(s)"	Has the meaning ascribed to it under the GEM Listing Rules.
"Director(s)"	The director(s) of the Company.
"FCA"	The Financial Conduct Authority of the United Kingdom.
"GBP"	GBP, the lawful currency of the United Kingdom.
"GEM"	The GEM Market of the Stock Exchange.
"GEM Listing Rules"	The Rules Governing the Listing of Securities on the GEM Board of Stock Exchange.
"Group"	The Company and its subsidiaries.
"HK\$"	HK\$, the lawful currency of Hong Kong.
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC.
"Original Investment"	The subscription by the Purchaser for 9.96% of Sturgeon Capital for a consideration of US\$1m in 2017.
"PRC"	The People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan.
"Purchaser"	Kaisun Energy Management Limited, an indirect wholly-owned subsidiary of the Company.
"Sale and Purchase Agreement"	The sale and purchase agreement dated 11 November 2019 entered into between the Purchaser and the Vendor in relation to the Acquisition.

"Sale Shares"	45,560 SCH Shares, being 45.56% of the entire issued share capital of SCH as at the date of the Sale and Purchase Agreement.
"SCH"	SCH Limited, an Isle of Man incorporated company (registration number 012391V) and the holding company of Sturgeon Capital.
"SCH Share(s)"	shares in the issued share capital of SCH.
"Share(s)"	ordinary shares of HK\$0.10 each in the share capital of the Company.
"Share Swap Restructuring Agreement"	The Share Swap Restructuring Agreement to be entered between the Purchaser and SCH pursuant to which, the Purchaser would transfer its entire interests in Sturgeon Capital to SCH and in consideration, SCH would issue new SCH Shares to the Purchaser amounting to [11.11%] of the enlarged SCH share capital.
"Shareholders"	The holders of Shares.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"Sturgeon Capital"	Sturgeon Capital Limited, a company incorporated in England and Wales (registration number: [07421440]), a London based FCA regulated investment manager.
"US\$"	US\$, the lawful currency of the United States.
"Vendor"	Clemente Cappello, founder and CIO of Sturgeon Capital.
"%"	"% "per cent".

Note: For the purpose of this announcement, an exchange rate of US\$1 = HK\$7.8, GBP 1 = HK\$10.9874 and HK\$10.2212 for the unaudited consolidated financial information of the SCH Limited for the two financial years ended 31 March 2018 and 2019 has been used respectively. The exchange rate used is for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board

Kaisun Holdings Limited

Chan Nap Kee, Joseph
Chairman

Hong Kong, 11 November 2019

* For identification purpose only

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

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the date of its publication and on the Company's website at www.kaisun.hk.