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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)

Kaiusn's role as superconnector in Belt and Road -- From MOU to Agreement with

Daiichi Kigenso Kagaku Kogyo Co., Ltd., one of the world's largest Zirconium products manufacturer in relation to supply and procurement of Zircon Sand

Reference is made to the Company's announcement dated 10 August 2016 on the Memorandum of Understanding ("MOU") in relation to supply and procurement of zircon sand and zircon flour.

Further to the MOU, the board (the "Board") of the directors (the "Directors") of Kaisun Energy Group Limited (the "Company", together with its subsidiaries, the "Group"), is pleased to announce that on 25 November 2016 (after trading hours), the Company, Daiichi Kigenso Kagaku Kogyo Co. Ltd. ("**DKK**", together with its subsidiaries, the "**DKK Group**") and Mineral Land Holdings Limited ("**MLHL**") (a company that controls Duong Lam, a Vietnamese factory that produces zircon sand and zircon flour) have entered into Sale and Purchase Agreement ("**Agreement**")

The Company will act as "super-connector" between DKK and MLHL regarding the supply and procurement of Zircon Sand. In order to obtain Zircon Sand required for supply to the DKK Group and to satisfy the quality and product specifications of Zircon Sand as required by DKK Group, the Company will procure Zircon Sand from MLHL, a company that controls Duong Lam, a Vietnamese factory that produces zircon sand and zircon flour.

Principal Terms of the Agreement

Parties: (a) DKK

(b) Kaisun Energy Group Limited, the Company

(c) Mineral Land Holdings Limited ("**MLHL**"), a company that controls Duong Lam ("**DL**"), the Vietnamese factory that produces zircon sand and zircon flour

Pursuant to the terms of the Agreement, DKK Group will pay a deposit amounting to 100% of the purchase price payable by DKK Group to Kaisun Energy Group Limited ("the Company").

The Company and MLHL shall cause Duong Lam to sell and deliver, and DKK shall cause VREC, DKK's subsidiary in Vietnam, to receive Zircon Sand in accordance with quality and product specifications of Zircon Sand as required by DKK Group.

Information about the Group, DKK and MLHL

Kaisun Energy Group Limited

The Company is an investment holding company listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited. The Group has operating experience in Hong Kong, Shenzhen, and Shandong of China and also Silk Road related regions such as Xinjiang. Not only does the Group has years of operating experience in energy industry but it has also taken on consulting roles in other Central Asian projects with its business partners.

DKK

DKK is a Japan-based manufacturer of various Zirconium Oxide and Composite Oxides. Since the establishment of DKK in 1956, it has been conducting research and development in zirconium and zirconium compounds to further develop their use and applications. As the world’s top-ranking zirconium compound producer accounting for more than 50% of the global market share (source: Philip Capital, 2013), and under the backdrop of Japan being the largest global producer of hybrid electric vehicles (HEV) (source: Jamestown, 2011), DKK holds a position of monopolizing the oxygen sensors of Japanese market for automobiles. Furthermore, DKK is one of the two manufacturers in the world that has an integrated production system from crude ores to finished products. In particular, its production system has a high level of cost-wise competitiveness that positions itself ahead of its competitors. For further details on DKK, please refer to DKK’s website at <http://www.dkk.co.jp/english>.

MLHL

MLHL controls Duong Lam, a Vietnamese factory that produces zircon sand and zircon flour. Duong Lam is one of the largest titanium and zircon ore mining and refining companies in Vietnam.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, DKK, MLHL and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons (as defined in the GEM Listing Rules) of the Company.

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

Hong Kong, 25 November, 2016

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, Dr. Chow Pok Yu Augustine, 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 Company’s website at www.kaisunenergy.com.

** for identification purpose only*