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香港中旅文化傳媒公司



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)

Current Development on Kaisun's Belt and Road Strategy: Strategic Cooperation Framework Agreement with China Travel Cultural Media Hong Kong Ltd., the subsidiary of China Travel International Investment Hong Kong Limited (0308.HK) - combining Tourism and eSports

The board (the "Board") of the directors (the "Directors") of Kaisun Energy Group Limited (the "Company") is pleased to announce that, KEG New Economy Rangers Ltd. ("KEG New Economy"), a subsidiary of the Company, and China Travel Cultural Media Hong Kong Ltd. ("CTCM"), a subsidiary of China Travel International Investment Hong Kong Limited ("CTII"), have entered into a Strategic Cooperation Framework Agreement (the "Framework Agreement"). Based on principles of cooperating in good faith under the Framework Agreement, both parties will jointly host events and festival in electronic sports (eSports) at theme parks or resorts under the CTII and explore cooperation in countries along the Belt and Road.

Parties: (a) China Travel Cultural Media Hong Kong Ltd.

(b) KEG New Economy Rangers Ltd.

Current development on Kaisun's Belt and Road Strategy: Strategic Cooperation Framework Agreement with China Travel Cultural Media Hong Kong Ltd- combining Tourism and eSports

Since the launch of the Belt and Road Initiative in 2013, a great deal of progress has been made in terms of government to government level cooperation as well as companies making their strides in the Belt and Road countries. Now, 2018 is upon us and the Belt and Road Initiative will go into the implementation stage with projects and investments big and small fully underway. At the 19th CPC national congress, President Xi Jinping states that Belt and Road Initiative is still the focus in China with regards to opening up economy because in order for China to continue to grow, opening up is essential. It is both CTCM and the Company's view that Belt and Road Initiative will still play an important role in China's development in the foreseeable future.

As an experienced Belt and Road participant, Kaisun would like to contribute and benefit from the Belt and Road by combining one of the world's oldest cultural business with one of the world's latest – Tourism and eSports. With CTII as a veteran in Tourism and KEG New Economy as an achiever in eSports, good business opportunities will arise from such combination utilizing the competencies of both CTII and KEG New Economy in Belt and Road including Eurasia and South Asia and South-East Asia, the median age of the population of these countries are in the 20s, who are all prime potential target audience and participants for eSports.

Since the year 2000, Electronic Sports (eSports) is not only growing exponentially as a new independent business and industry but is also accelerating the convergence of various established industries. Kaisun is of the view that the eSports industry has one of the greatest potential in Belt and Road. Hence, in early 2017, the Company had established a subsidiary, and planned to seize opportunity from the eSports boom in Asia Pacific region and eventually, the Belt and Road with professional eSports management team from APAC and Europe.

In September 2017, Girl Gamer, as the first global eSport game we organized, was successfully held with over 10 million hits (which includes direct viewership, forwards, exposure from our partners, government and advertising partners), as well as a local qualifier for the International eSports Federation. For the rest of the year and the coming year, we will continue to host competition, business conference, workshops, as well as explore cooperation with strong and reputable partners such as CTII and CTCM.

CTII competencies and influence in the tourism industry is already very well-known. Being one of the leaders in Hong Kong as well as having branches in over 14 countries along with their connections in China, CTII will be a powerful ally to the Company in co-development of the eSports-tourism business.

With 256 million eSports audience in the world and almost 44% of them in the APAC region, the Group and CTCM both view our cooperation as a huge opportunity to drive both eSports as well as tourism. Cooperation between KEG New Economy and CTCM will attempt to bring the Belt and Road Initiative into implementation. By leveraging on our existing and previous experience and good relationship between local governments, we consider that holding eSports events and projects along the Belt and Road including Eurasia and South Asia and South-East Asia can bring great business opportunities.

Future Plans of CTCM and KEG New Economy

For the next three years, it was planned that both parties will cooperate and host at least three eSports events each year at the CTII theme parks or resorts.

It is envisaged that above events will attract local and global audience's attention like Girlgamer. By inviting eSports industry experts around the world (including Mainland China and Hong Kong SAR, Macao and Taiwan Regions), Esports business conference will be held each year at the CTII theme parks or resorts. This cooperation will solidify the Company's influence in the eSports world and will also help CTII to inject new concepts into their very mature existing tourism business.

Competences of CTCM and KEG New Economy

CTCM (founded by China Travel Service (Hong Kong) Limited. and China Travel Tours Transportation Services Hong Kong Limited) is a subsidiary of CTII (stock code: 0308), which engages in media resources integration of HKCTS Group, including outdoor advertising, exhibition activities planning and online marketing promotion.

CTII invests and operates in various tourist attractions, theme parks and resorts including: The Window of the World, the Splendid China and the Chinese Folk Culture Villages as three traditional large cultural replicas in Shenzhen; Ocean Spring Resorts in Zhuhai and Xianyang, as spring resorts series; Mt. Songshan and Desert Shapotouas unique travel spots. CTII also provides other tourism services such as transportation and performance arts. China Travel Tours Transportation Services HK Ltd is one of the largest cross-border bus companies in Hong Kong. China Heaven Creation International Performing Arts Co., Ltd develops series of entertainment representing high standards of tourism performance. It is a pioneer leading Chinese culture industry to go abroad since it brought The White House Theatre in Branson, U.S and made “the legend of Kungfu” a long-term stationed show there.

KEG New Economy Rangers Limited (“KEG New Economy”) is a subsidiary of the Company. The purpose of New Economy business unit is to look for asset light investments that partners us with industry veterans in hopes of developing a sustainable and profitable business. The New Economy team has established an eCommerce business unit, an eSports unit as well as invested in an event organizing company (partnered up with an industry veteran) and a Belt and Road asset management platform.

Kaisun Energy Group Limited is an investment holding company listed on the Growth Enterprise Market (“GEM”) board of the Hong Kong Stock Exchange of Hong Kong Limited (“Stock Exchange”). Kaisun has operating experience in Hong Kong, Shenzhen, and Shandong of China and also Silk Road related regions such as Xinjiang, and Tajikistan. Not only does Kaisun have years of operating experience in Tajikistan but it has also taken on consulting roles in other Central Asian projects with their business partners. Management and directors of the Group not only has experience in energy and mining but also financial and capital markets experience in Hong Kong as well as other developed and developing nations. As a frontrunner of the Belt and Road Initiative and an advocate of the Belt , Kaisun started to invest in Tajikistan, Central Asia since 2011 before launching of China’s Belt and Road initiative in 2013, and is continuing to look for business opportunities to participate in Belt and Road Initiative. With our unique position as a Hong Kong listed company, our experience in the Belt and Road region and cooperating with our strategic partners, we will be able to capture good opportunities arising from the Belt and Road Initiative.

Main points of Framework Agreement

Method of cooperation

- (1) CTCM is responsible for the use of its own resources to provide venue, staff, guests accommodation, traffic arrangements, promotion and on-site operations for the events. This will reduce the cost and provide greater profit for the events.
- (2) KEG New Economy is responsible for eSports event organizing, eSports tournament process arrangement, social media platforms promotions, invite eSports players, guests, as well as various types of talent and

To attain good cooperation on specific project, each party will utilize its own unique competence so as to provide good support for the specific project

The Framework Agreement sets out the general principles of cooperation between the parties. Detailed terms of further cooperation will be subject to definitive agreements to be entered into by both parties.

The entering into of the Framework Agreement is conducted in the usual and ordinary course of business of the Company and does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules.

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

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

Hong Kong, 27 October 2017

** 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 Company's website at www.kaisunenergy.com.