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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)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE AT HK\$0.048 PER RIGHTS SHARE

Underwriters to the Rights Issue



KOALA Securities Limited

樹熊證券有限公司

Director

Mr. Chan Nap Kee, Joseph

RESULTS OF THE RIGHTS ISSUE

The Board announces that all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. Accordingly, the Rights Issue became unconditional at 4:00 p.m. on Wednesday, 11 January 2017.

As at 4:00 p.m. on Friday, 6 January 2017, being the latest time for payment for and acceptance of the Rights Shares and application for excess Rights Shares: (a) 9 valid acceptances in respect of a total of 469,362,505 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 24.91% of the total number of 1,884,202,850 Rights Shares available under the Rights Issue; and (b) 8 valid applications for a total of 28,000,000 excess Rights Shares have been received, representing approximately 1.49% of the total number of the Rights Shares available under the Rights Issue. In aggregate, acceptance of and applications for a total of 497,362,505 Rights Shares, representing approximately 26.40% of the total number of the Rights Shares available under the Rights Issue, have been received. Based on the above acceptance and application results, the Rights Issue has been under-subscribed by 1,386,840,345 Rights Shares, representing approximately 73.60% of the total number of 1,884,202,850 Rights Shares available for subscription under the Rights Issue. Pursuant to the terms of the Underwriting Agreement, Mr. Chan Nap Kee, Joseph is required to subscribe for or procure subscription for 1,386,840,345 Untaken Shares.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares in respect of the valid acceptances of the Rights Shares and the successful applications for the excess Rights Shares will be posted to those entitled thereto by ordinary mail to their registered addresses at their own risks on Monday, 16 January 2017.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares will commence on the Stock Exchange at 9:00 a.m. on Tuesday, 17 January 2017.

Reference is made to the prospectus of the Company dated 20 December 2016 in relation to the Rights Issue (the “**Prospectus**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus unless defined otherwise.

RESULTS OF THE RIGHTS ISSUE

The Board announces that all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. Accordingly, the Rights Issue became unconditional at 4:00 p.m. on Wednesday, 11 January 2017. As at 4:00 p.m. on Friday, 6 January 2017, being the latest time for payment for and acceptance of the Rights Shares and application for excess Rights Shares: (a) 9 valid acceptances in respect of a total of 469,362,505 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 24.91% of the total number of 1,884,202,850 Rights Shares available under the Rights Issue; and (b) 8 valid applications for a total of 28,000,000 excess Rights Shares have been received, representing approximately 1.49% of the total number of the Rights Shares available under the Rights Issue. In aggregate, a total of 497,362,505 Rights Shares, representing approximately 26.40% of the total number of the Rights Shares available under the Rights Issue, have been received.

Underwriting Agreement

Based on the above acceptance and application results, the Rights Issue has been under-subscribed by 1,386,840,345 Rights Shares, representing approximately 73.60% of the total number of 1,884,202,850 Rights Shares available for subscription under the Rights Issue. Pursuant to the terms of the Underwriting Agreement, Mr. Chan Nap Kee, Joseph, being one of the Underwriters, is required to subscribe for or procure subscription for 1,386,840,345 Untaken Shares.

Excess Rights Shares

Based on the number of valid acceptances referred to above, 1,414,840,345 Rights Shares were available for subscription under the EAFs.

Given that the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under the PALs was greater than the aggregate number of excess Rights Shares applied for through the EAFs, the Board has resolved to allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAFs.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Shares held</i>	<i>%</i>	<i>No. of Shares held</i>	<i>%</i>
<i>Connected persons</i>				
Chan Nap Kee, Joseph <i>(Note 1)</i>	136,321,760	3.62	1,591,322,985	28.15
Chow Pok Yu, Augustine <i>(Note 2)</i>	4,000,000	0.11	4,000,000	0.07
Yang Yongcheng <i>(Note 3)</i>	4,100,000	0.11	6,150,000	0.11
Liew Swee Yean <i>(Note 4)</i>	2,040,000	0.05	2,040,000	0.04
Siu Siu Ling, Robert <i>(Note 5)</i>	2,040,000	0.05	2,040,000	0.04
Wong Yun Kuen <i>(Note 6)</i>	3,500,000	0.09	5,250,000	0.09
Anderson Brian Ralph <i>(Note 7)</i>	1,500,000	0.04	1,500,000	0.03
Sub-total:	153,501,760	4.07	1,612,302,985	28.53
<i>Public Shareholders</i>	3,614,903,940	95.93	4,040,305,565	71.47
Total	3,768,405,700	100.00	5,652,608,550	100.00

Notes:

- Mr. Chan Nap Kee, Joseph is a connected person of the Company by virtue of him being an executive Director.*
- Dr. Chow Pok Yu, Augustine is a connected person of the Company by virtue of him being a former executive Director. Dr. Chow retired with effect from 31 December 2016.*
- Mr. Yang Yongcheng is a connected person of the Company by virtue of him being an executive Director.*

4. *Mr. Liew Swee Yean is a connected person of the Company by virtue of him being an independent non-executive Director.*
5. *Mr. Siu Siu Ling, Robert is a connected person of the Company by virtue of him being an independent non-executive Director.*
6. *Dr. Wong Yun Kuen is a connected person of the Company by virtue of him being an independent non-executive Director.*
7. *Mr. Anderson Brian Ralph is a connected person of the Company by virtue of him being an independent non-executive Director.*

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares in respect of the valid acceptances of the Rights Shares and the successful applications for the excess Rights Shares will be posted to those entitled thereto by ordinary post to their registered addresses at their own risks on Monday, 16 January 2017.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares will commence on the Stock Exchange at 9:00 a.m. on Tuesday, 17 January 2017.

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

Hong Kong, 13 January 2017

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; and (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*