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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)

GRANT OF SHARE AWARD UNDER THE COMPANY'S SHARE AWARD SCHEME 2016

The Board of Kaisun Energy Group Limited (the "Company") hereby announces that on 22 March 2018, shares would be granted under the Company's Share Award Scheme 2016 to Mr. Joseph Chan Nap Kee ("Mr. Chan") and Mr. Yang Yongcheng ("Mr. Yang"), with details as stated below.

Grant of Connected Award shares pursuant to the Share Award Scheme 2016 – by Purchased Shares to Directors

Reasons for and benefits in the award of the Connected Award Shares

The Board considers that the grant of the Connected Award to the Connected Selected Employees, which were determined with reference to, among others, the present contribution and expected contribution of the relevant Connected Selected Employee to the Group, provides incentives to the Connected Selected Employees and will allow the Group to attract and retain talents for the continual operation and development of the Group, in particular in developing the Group's business related to the "Belt and Road" initiatives. The grant of the Connected Award Shares to the Connected Selected Employees recognises their continual support to the Group and their effort will promote the Group's future development, in particular in developing the Group's business related to the "Belt and Road" initiatives.

The Board believes that the grant of the Connected Award is in line with the purposes and objectives of the 2016 Share Award Scheme. The Board (including the independent non-executive Directors) considers that the grant of the Connected Award and the transactions contemplated thereunder are on normal commercial terms that are fair and reasonable, in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

As each of Mr. Chan Nap Kee, Joseph and Mr. Yang Yongcheng, being executive Director, is materially interested in the grant of the Connected Award to himself, he has abstained from voting on the Board’s resolution in relation to the grant of the Connected Award to himself.

On 22 March 2018, the Board has resolved to grant an award of an aggregate of 4,081,000 Connected Award Shares to the Connected Selected Employees under the 2016 Share Award Scheme, which shall be satisfied by the shares of the Company purchased by the Trustee on the market (“Purchased Shares”). The information in relation to the grant of the Connected Award to the Connected Selected Employees is set out below:

Securities to be awarded: An aggregate of 4,081,000 Shares to be awarded to the following executive Directors (and therefore connected persons of the Company):

Name of connected person	Number of Connected Award Shares
Mr. Chan Nap Kee	3,081,000 Shares
Mr. Yang Yongcheng	1,000,000 Shares
Total	4,081,000 Shares

The aggregate of 4,081,000 Connected Award Shares to be awarded by the Company to the Connected Selected Employees pursuant to the Connected Award represent 0.72% of the total number of Shares in issue at the date of this announcement. The Connected Award shall be satisfied by the shares of the Company purchased by the Trustee on the market.

Details of Connected Award Shares The aggregate of 2,011,000 Connected Award Shares were derived from an aggregate of 20,110,000 shares of the Company (which has been consolidated into 2,011,000 Shares following the Share Consolidation) (the “**Purchased Shares**”) purchased by the Trustee on the market in accordance with the Company’s instructions pursuant to the 2013 Share Award

Scheme during the year ended 31 December 2016. The total consideration of the Purchased Shares was about HK\$1,190,000 which was paid by the Trustee out the fund allocated by the Group to the Trustee for the purpose of the 2013 Share Award Scheme.

Following the expiry of the 2013 Share Award Scheme and the adoption of the 2016 Share Award Scheme, by mutual agreement between the Company and the Trustee, all the Purchased Shares were transferred to the trust fund for the purpose of the trust in connection with the 2016 Share Award Scheme.

The aggregate of 2,070,000 Connected Award Shares were purchased by the Trustee on the market in accordance with the Company's instructions pursuant to the 2016 Share Award Scheme during the year ended 31 December 2017. (the "**Purchased Shares**") The total consideration of the Purchased Shares was about HK\$772,850 which was paid by the Trustee out the fund allocated by the Group to the Trustee for the purpose of the 2016 Share Award Scheme.

Hence, the total consideration for the aggregate of 4,081,000 Purchased Shares were HK\$1,962,850.

All of the Connected Award Shares are held by the Trustee in trust in accordance with the trust deed for the benefit of each of the Connected Selected Employees before vesting.

Save for the laws, rules and regulations applicable to Directors for transaction of securities of the Company (including the GEM Listing Rules), the Connected Award Shares are not subject to restrictions for subsequent sale.

Market value of the Connected Award Shares: Based on the closing price of the Shares as at the date of this announcement, as quoted on the Stock

Exchange of HK\$ 0.325 per Share, the market value of the 4,081,000 Connected Award Shares is approximately HK\$ 1,326,325.

Consideration: The Connected Selected Employees are not required to pay any consideration for the acceptance of the Connected Award Shares.

Vesting: Subject to the acceptance by each of the Connected Selected Employees and that he remains as an employee of the Group on the vesting date of the Connected Awarded Shares, the Connected Awarded Shares shall vest in the Connected Selected Employees on the date of grant.

Application of De minimis rule to connected transactions

As all applicable ratios regarding grant of Connected Award Shares is less than 5% and the total consideration is less than HK\$3,000,000, rule 20.74 of connected transactions of GEM Listing Rule is applicable, and the grant of Connected Award Shares should be disclosed by announcement.

Cancellation of grant of Shares

The Board resolved to cancel the grant of Connected Award Shares to Mr. Chan and Mr. Yang as stated on P.54 -56 of the Results Announcement of the Company dated 21 March 2018.

By Order of the Board
Kaisun Energy Group Limited
CHAN Nap Kee, Joseph
Chairman

Hong Kong, 22 March, 2018

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, Dr. Wong Yun Kuen, Mr. Siu Siu Ling Robert and Mr. Anderson Brian Ralph.

** for identification purpose only*