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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)**

### **ADOPTION OF SHARE AWARD SCHEME**

The Board resolved on 10 May 2013 to adopt the Scheme, pursuant to which existing Shares will be purchased by the Trustee on the market out of cash contributed by the Group and be held on trust for the Employees until such Shares are vested with the relevant Selected Employees in accordance with the provisions of the Scheme.

The Scheme shall be subject to the administration of the Board, the Committee and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The Committee shall not make any further award of Awarded Shares which will result in the aggregate nominal value of the Shares awarded under the Scheme exceeding ten per cent. of the issued share capital of the Company at the time of such Award. The Committee has resolved to contribute approximately HK\$1 million to the Trust upon its establishment.

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### **Implications under the GEM Listing Rules and Corporate Governance**

The Scheme does not constitute a share option scheme within the meaning of Chapter 23 of the GEM Listing Rules and is a discretionary scheme of the Company. The Scheme will run in parallel with the Company's existing share option scheme which will expire on 9 December 2013.

In connection with the implementation of the Scheme, the Committee may, from time to time, instruct the Trustee to purchase Shares on the Stock Exchange. Selected Employees under the Scheme include any employee (including without limitation any director) of any member of the Group but excluding any Excluded Employee.

The Scheme provides, among other things, that if any grant of Awarded Shares is proposed to be made to any Selected Employee who is a Director (including an independent non-executive Director), such grant must first be approved by all the members of the remuneration committee of the Company, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee.

In addition, where any grant of Awarded Shares is proposed to be made to any Selected Employee who is a connected person within the meaning of the GEM Listing Rules, the Company shall comply with such provisions of the GEM Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the GEM Listing Rules. Where such proposed grant of Awarded Shares under the Scheme forms part of the remuneration of the relevant Director under his service contract, it will be exempted from the reporting, announcement and independent shareholders' approval requirements under Rule 20.31(6) of the GEM Listing Rules.

A summary of the Scheme Rules is set out below in this announcement.

## **REASONS FOR THE ADOPTION OF THE SCHEME**

The Directors believe that the commitment and contribution of the employees is one of the crucial elements to the continued success of the Group. The adoption of the Scheme will allow the Company both to reward employees for their contributions to the Group and to provide additional incentives to them.

## **SUMMARY OF THE SCHEME RULES**

### **Purpose**

The purpose of the Scheme is to recognise the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

### **Administration**

The Scheme shall be subject to the administration of the Board, the Committee and the Trustee in accordance with the Scheme Rules and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) shall be final and binding.

### **Scheme Limit**

The Committee shall not make any further award of Awarded Shares which will result in the aggregate nominal value of the Shares awarded under the Scheme exceeding ten per cent of the issued share capital of the Company at the time of such Award.

The maximum aggregate nominal value of Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed two per cent of the issued share capital of the Company at the time of such Award.

## **Restrictions**

The Scheme Rules provide that no Award shall be made by the Committee and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any code or requirement of the GEM Listing Rules and all applicable laws (including the SFO) from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the application laws and the GEM Listing Rules
- (ii) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (iii) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results of the Company or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; or
- (iv) in any circumstance which is prohibited under the GEM Listing Rules, the SFO or any other laws or regulations or where any requisite approval from any governmental or regulatory authority has not been granted.

The Committee may, at any time after it has instructed the Trustee to purchase any Shares, instruct the Trustee in writing to cease purchasing Shares or to suspend purchasing Shares until further notice (without specifying any reasons thereof).

## **Operation**

The Committee may, from time to time, cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise which shall constitute part of the Trust Fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

In connection with the implementation of the Scheme, the Committee may, from time to time, instruct the Trustee to purchase Shares on the Stock Exchange and to hold them in trust for the benefit of the Employees on and subject to the terms and conditions of the Scheme Rules and the Trust Deed. On each occasion when the Committee instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Committee.

Subject to the Scheme Rules, including but not limited to the restrictions and scheme limits set out above, the Committee may, from time to time, at its absolute discretion select any Employee (other than any Excluded Employee) for participation in the Scheme as a Selected Employee, and grant such number of Awarded Shares to any Selected Employee at no consideration on and subject to such terms and conditions as it may in its absolute discretion determine.

The Board is entitled to impose any conditions (including a vesting period on the Award before the Awarded Shares will be vested on the Selected Employee) as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Employee.

## **Lapse of the Award**

Pursuant to the Scheme Rules, in the event that prior to or on the proposed vesting date, a Selected Employee is found to be an Excluded Employee or is deemed to cease to be an Employee due to the following circumstances, the relevant Award made to such Selected Employee shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on such Selected Employee but shall remain part of the Trust Fund:

- (i) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (ii) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (iii) where such person has been convicted of any criminal offence; or
- (iv) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

### **Voting Rights**

In the event that the Trustee is required to exercise the voting rights in respect of any Shares held by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom) in any general meetings of the Company, it shall seek directions from the Committee with respect to the voting instructions thereof prior to the respective general meetings.

### **Duration and Termination**

The Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the third (3rd) anniversary of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board. Termination of the Scheme shall not affect any subsisting rights of any Selected Employee under the Scheme.

### **Definition**

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	10 May 2013, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme;
“Award”	an award of Awarded Shares by the Committee pursuant to the Scheme Rules to a Selected Employee;
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares awarded by the Committee;
“Board”	the board of Directors of the Company;
“Business Day”	a day (other than Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;

“Committee”	the remuneration committee of the Company for the time being, or any other sub-committee of the Board delegated with the power and authority to administer the Scheme as may be established by the Board, comprising Directors and other officers as may be appointed by the Board from time to time;
“Company”	Kaisun Energy Group Limited (凱順能源集團有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 8203);
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company or any Subsidiary to the Trust as determined by the Committee from time to time;
“Director”	a director of the Company;
“Employee”	any employee (including without limitation any director) of any member of the Group;
“Excluded Employee”	any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board, the Committee or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its Subsidiaries from time to time and “member of the Group” means any or a specific one of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares;
“Scheme”	the “Kaisun Energy Group Share Award Scheme” constituted by the Scheme Rules, in its present form or as amended from time to time in accordance with the provisions of the Scheme Rules;
“Scheme Rules”	the rules relating to the Scheme adopted by the Board in its present form or as may be amended from time to time;
“Selected Employee(s)”	Employee(s) (other than the Excluded Employee(s)) selected by the Committee pursuant to the Scheme Rules for participation in

	the Scheme;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	the trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
“Trust Fund”	the funds and properties held under the Trust and managed by the Trustee for the benefit of the Employees (other than the Excluded Employees), including without limitation: <ul style="list-style-type: none"> <li>(a) all Shares acquired by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust;</li> <li>(b) any Residual Cash;</li> <li>(c) any Awarded Shares or other property to be vested or not vested with the Selected Employee under the terms of the Scheme; and</li> <li>(d) all other properties from time to time representing (a), (b) and (c) above;</li> </ul>
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed.

By order of the Board

**Kaisun Energy Group Limited**  
**CHAN Nap Kee, Joseph**  
*Chairman*

Hong Kong, 10 May, 2013

*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 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](http://www.hkgem.com) for at least 7 days from the date of its publication and on the Company's website at [www.kaisunenergy.com](http://www.kaisunenergy.com).*

*\* for identification purpose only*