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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kaisun Energy Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
REFRESHMENT OF THE EXISTING SCHEME LIMIT ON
THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Kaisun Energy Group Limited to be held at 21/F Chun Wo Commercial Centre, 23–29 Wing Wo Street, Central, Hong Kong on Monday 28 May 2012 at 10:30 a.m. is set out on pages 17 to 21 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the day of its posting.

* For identification purposes only

23 April 2012

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at 21/F Chun Wo Commercial Centre, 23–29 Wing Wo Street, Central, Hong Kong on Monday, 28 May 2012 at 10:30 a.m.
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Kaisun Energy Group Limited, an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Existing Scheme Limit”	the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme being 10% of the issued share capital of the Company as at 12 April 2011 (being the date of the AGM on which the scheme mandate under the Share Option Scheme was refreshed)
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate to the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate
“Latest Practicable Date”	23 April 2012, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication

DEFINITIONS

“Notice of AGM”	the notice of the AGM as set out on pages 17 to 21 of this circular
“Participants”	the eligible participants of the Share Option Scheme in accordance with the rules of the Share Option Scheme
“Repurchase Mandate”	the general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate
“Scheme Mandate Limit”	the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme being 9% of the Company’s issued share capital as at the date on which the dealings in the Shares first commenced on the Stock Exchange, which may be “refreshed” on and pursuant to the rules of the Share Option Scheme
“SFO”	the Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong
“Shareholder(s)”	registered holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 9 December 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“%”	per cent.

The logo consists of the letters 'KEG' in a bold, white, sans-serif font, centered within a solid black square.

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)

Executive Directors:

Mr. CHAN Nap Kee, Joseph
(Chairman and Acting Chief Executive Officer)
Dr. CHOW Pok Yu, Augustine
Mr. YANG Yongcheng
Mr. LI Hong

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. LIEW Swee Yean
Mr. SIU Siu Ling, Robert
Dr. WONG Yun Kuen
Mr. ANDERSON Brian Ralph

*Head Office and Principal Place
of Business in Hong Kong:*

21/F Chun Wo Commercial Centre
23–29 Wing Wo Street
Central
Hong Kong

23 April 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
REFRESHMENT OF THE EXISTING LIMIT ON
THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the re-election of the retiring Directors and refreshment of the Scheme Mandate Limit, to seek your approval at the AGM in connection with, inter alia, such matters.

* For identification purposes only

LETTER FROM THE BOARD

ISSUE MANDATE AND EXTENSION MANDATE

At the annual general meeting held on 12 April 2011, the Shareholders of the Company passed an ordinary resolution to grant a new general mandate to the Directors to allot, issue and deal with Shares. Such new general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM.

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate and the Extension Mandate. The Issue Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Issue Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first. Details of the Issue Mandate and the Extension Mandate are set out in ordinary resolutions number 4 and 6 respectively in the Notice of AGM.

As at the Latest Practicable Date, a total of 2,617,005,700 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 523,401,140 Shares.

REPURCHASE MANDATE

Also at the annual general meeting held on 12 April 2011, the Shareholders passed an ordinary resolution to grant a new general mandate to the Directors to exercise the powers of the Company to repurchase Shares. Such new general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution number 5 in the Notice of AGM. The Repurchase Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

An explanatory statement as required under the GEM Listing Rules, giving certain information regarding the Repurchase Mandate, is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors, Mr. CHAN Nap Kee Joseph, Dr. CHOW Pok Yu Augustine, Mr. YANG Yongcheng, Mr. LI Hong, Mr. LIEW Swee Yean, Mr. SIU Siu Ling Robert, Dr. WONG Yun Kuen and Mr. ANDERSON Brian Ralph.

LETTER FROM THE BOARD

Mr. Liew Swee Yean, Mr. Siu Siu Ling, Robert and Dr. Wong Yun Kuen shall retire from office by rotation at the AGM, and being eligible, offer themselves for re-election.

Brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

Pursuant to the written resolution of the then Shareholders passed on 9 December 2003, the Share Option Scheme was adopted. The purpose of the Share Option Scheme is to provide the Participants, which include employees of the Group, with the opportunity to acquire equity interests in the Company and to encourage the Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

Pursuant to Chapter 23 of the GEM Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The GEM Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

Pursuant to the Existing Scheme Limit, the Directors may grant options not exceeding 253,726,050 Shares, representing 10% of the issued share capital of the Company as at 12 April 2011, being the date of the AGM on which the scheme mandate limit under the Share Option Scheme was refreshed. As at the Latest Practicable Date, options carrying the rights to subscribe for 150,266,840 Shares have been granted to the grantees under the Share Option Scheme, 79,745,200 of such options have been exercised, 9,850,000 of such options have lapsed, and 3,137,500 of such options have been cancelled. As at the Latest Practicable Date, 57,534,140 options remained outstanding.

The Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company could have more flexibility to provide incentives to the Participants by way of granting share options to them. If the refreshment of the Scheme Mandate Limit is approved at the AGM, based on the 2,617,005,700 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged on the date of the AGM, the Company will be allowed under the refreshed

LETTER FROM THE BOARD

Scheme Mandate to grant options carrying the rights to subscribe for up to a total of 235,530,513 Shares, representing 9% of the issued share capital of the Company as at the date of the AGM.

Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

None of the grantees has been granted with options which exceed the limit of 1% of the issued share capital of the Company in the 12-month period up to and including the respective dates of grant as set out in Rule 23.03(4) of the GEM Listing Rules.

The total number of outstanding share options since adoption of Share Option Scheme by the Company in 2003 is 540,000,000, representing approximately 20.63% of the current total issued share capital of the Company. Hence refreshment of the Scheme Mandate Limit should not exceed 9% of the current issued share capital of the Company. If the refreshment of the Scheme Mandate is approved at the AGM, the existing outstanding options granted under the Existing Scheme Limit and the options to be granted under the refreshed Scheme Mandate Limit will not in aggregate exceed 30% of the issued share capital of the Company.

The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other Participants under the Share Option Scheme.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit at the AGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed Scheme Mandate Limit, being 9% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the AGM.

Application has been made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed Scheme Mandate Limit, being 9% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the AGM.

AGM

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the re-election of the retiring Directors are set out on pages 17 to 21 of this circular.

LETTER FROM THE BOARD

ACTION TO BE TAKEN

The Notice of AGM is set out on pages 17 to 21 of this circular. A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the AGM, or any adjourned meeting, should they so wish.

VOTING BY POLL

Under Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the AGM will also be taken by poll. A poll results announcement will be made by the Company after the AGM in accordance with Rule 17.47(5) of the GEM Listing Rules.

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of the retiring Directors, and refreshment of existing Scheme Mandate Limit are in the best interests of the Company as well as to the Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the resolutions set out in the Notice of AGM.

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

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide you with requisite information for your consideration of the Repurchase Mandate.

1. GEM LISTING RULES RELATING TO REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. EXERCISE OF THE REPURCHASE MANDATE

Subject to the passing of the resolution granting the Repurchase Mandate and assuming that no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate, on the basis of 2,617,005,700 Shares in issue at the Latest Practicable Date, could result in up to 261,700,570 Shares being repurchased by the Company during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

3. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The law of the Cayman Islands provides that the amount to be repaid in connection with a share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account. The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's latest published audited financial statements for the year ended 31 March 2010) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate is exercised, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholders (as defined in the GEM Listing Rules) and their respective interests in the issued Share:

Name of substantial Shareholder	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Zhang Zhi Ping (<i>Note 1</i>)	215,640,000	8.24%	9.16%
Zhang Gaobo (<i>Note 1</i>)	215,640,000	8.24%	9.16%
Oriental Patron Financial Group Limited (“OPFGL”) (<i>Note 1</i>)	215,640,000	8.24%	9.16%
OP Financial Investments Limited (“OPFIL”) (<i>Note 1</i>)	129,260,000	4.94%	5.49%
Profit Raider Investments Limited (“PRIL”) (<i>Note 1</i>)	129,260,000	4.94%	5.49%
Oriental Patron Financial Services Group Limited (“OPFSGL”) (<i>Note 1</i>)	86,380,000	3.30%	3.67%
GEM Global Yield Fund Limited (“GEM Global”) (<i>Note 2</i>)	230,000,000	8.79%	9.77%
Saddleback Corporation Limited	422,876,750	16.16%	17.95%

Notes:

1. OPFGL holds 215,640,000 Shares and 314,490,000 underlying Shares. OPFGL is 51% owned by Zhang Zhi Ping and is 49% owned by Zhang Gaobo.

Of these 215,640,000 Shares and 314,490,000 underlying Shares of the Company, 86,380,000 Shares and 108,420,000 underlying Shares are held by Pacific Top Holdings Limited (“PTHL”). PTHL is wholly-owned by OPFSGL, OPFSGL is 95% held by OPGFL. Zhang Zhi Ping, Zhang Gaobo, OPFGL and OPFSGL are deemed to be interested in the interests held by PTHL under the SFO.

Of these 215,640,000 Shares and 314,490,000 underlying Shares, 129,260,000 Shares and 206,280,000 underlying Shares are held by PRIL. PRIL is wholly-owned by OPFIL, OPFIL is 42.07% held by Ottness Investments Limited (“OIL”). Zhang Zhi Ping, Zhang Gaobo, OPFGL, OIL and OPFIL are deemed to be interested in the interests held by PRIL under the SFO.

2. These 1,021,000,000 Shares and underlying Shares represent the aggregate of: (i) the 230,000,000 Shares held by Grand Pacific Source Limited (“Grand Pacific”), which was a wholly-owned subsidiary of GEM Global; and (ii) 170,000,000 underlying Shares held by Grand Pacific and 621,000,000 underlying Shares held by GEM Global. Accordingly, GEM Global is deemed to be interested in those Shares and underlying Shares held by Grand Pacific under the SFO.

The Directors are unable to ascertain the interests of GEM Global as at the Latest Practicable Date, and confirm whether the interests of GEM Global as at the Latest Practicable Date, have been accurately shown. The interest of GEM Global as shown was disclosed in the corporate substantial notice of GEM Global filed on 3 April 2008 and recorded in the register of substantial shareholders maintained by the Company under Section 336 of the SFO. As set out in the Company’s

announcement dated 3 June 2008, the Company received default notification from GEM Global in relation to HK\$540 Million Placing Convertible Bonds (as defined in such announcement). Theoretically, the interests of GEM Global should have decreased and updated corporate substantial notice should have been filed with the Company and the Stock Exchange by GEM Global as a result of such default. In addition to the default of the Placing Convertible Bonds mentioned above, as set out in the Company's announcements dated 3 June 2008 and 11 June 2008, on 10 June 2008, 230 million Consideration Shares (as defined in such announcements) were allotted and issued to Grand Pacific, the entire equity interests of which were acquired by Glimmer Stone Investments Limited ("Glimmer") from GEM Global on the same day, and 60 million Consideration Shares were transferred from Grand Pacific to GEM Global as consideration for such acquisition. Theoretically, the interests of GEM Global should have decreased and updated corporate substantial notice should have been filed with the Company and the Stock Exchange by GEM Global as a result of the acquisition of Grand Pacific by Glimmer mentioned above. The Company has not received any updated corporate substantial notice of GEM Global after 3 April 2008. However, the Directors cannot exclude the possibility that GEM Global may have acquired or disposed of any interests in shares or underlying shares of the Company after the above announcements.

The Directors are also unable to ascertain the shareholding of GEM Global from the register of members of the Company as the information contained therein may not reflect the actual beneficial shareholdings of the shareholders (i.e. the registered shareholders may be have trustee or holding some shares of the Company on behalf of the others and this kind of interest is not required to be disclosed under the SFO).

On the above basis, the exercise of the Repurchase Mandate in full would not trigger any general offer obligation under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

6. SHARE PURCHASED BY THE COMPANY

The Company has not purchased any of its Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

7. SHARE PRICES

The table below is a summary of the highest and lowest prices at which Shares are traded on the Stock Exchange in each of the previous twelve calendar months prior to the Latest Practicable Date.

	Highest Traded Price <i>HK\$</i>	Lowest Traded Price <i>HK\$</i>
2011		
April	0.415	0.350
May	0.350	0.310
June	0.325	0.275
July	0.320	0.230
August	0.260	0.194
September	0.260	0.200
October	0.226	0.181
November	0.455	0.206
December	0.400	0.260
2012		
January	0.330	0.260
February	0.300	0.265
March	0.280	0.220
1–23 April	0.270	0.223

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

The following are the particulars of the Directors proposed to be re-elected at the AGM:

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liew Swee Yean, aged 49, is independent non-executive director, chairman of audit committee and member of nomination and corporate governance committee of the Board.

He is a director of Autism Recovery Network Limited, and the director of business development of eBroker Systems Limited. Mr. Liew was appointed as an independent non-executive director of Siberian Mining Group Company Limited (Stock Code: 1142) from December 2008.

Mr. Liew is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Liew holds a Master of Business Administration (Executive) Degree from the City University of Hong Kong.

Mr. Liew is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. Liew's director's fee is fixed at HK\$60,000 per annum, which is commensurate with his duties and responsibilities as an independent non-executive director of the Company and the prevailing market situation and subject to Shareholders' approval. Save as disclosed above, Mr. Liew did not hold any position within the Group as at the Latest Practicable Date. Save as disclosed above, he did not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company as at the date of this report.

Save as disclosed above, as at the latest practicable date, Mr. Liew did not have other major appointments and professional qualifications and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the latest practicable date, Mr. Liew was interested in 540,000 shares, representing approximately 0.02% of the issued share capital of the Company and in share options of the Company with the right to subscribe for 2,537,260 Shares at an exercise price of HK\$0.215, representing approximately 0.097% of issued share capital of the Company. Save as disclosed above, as at the latest practicable date, Mr. Liew did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Liew is not aware of any matters that are required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the Listing rules and there are no other matters in relation to Mr. Liew that need to be brought to the attention to the Shareholders.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Siu Siu Ling, Robert, aged 59, is independent non-executive director, chairman of nomination and corporate governance committee and member of audit committee.

He is a partner of the firm Messrs. Robert Siu & Co., Solicitors. Mr. Siu is an independent non-executive director of both Incutech Investments Limited (stock code: 356), Finet Group Limited (stock code: 8317) and China Packaging Group Company Limited (stock code: 572), all of which are listed on the Hong Kong Stock Exchange.

Mr. Siu holds a bachelor's degree in laws from the University of London and a postgraduate certificate in laws from the University of Hong Kong. He has been admitted as a solicitor in Hong Kong since 1992 and has been admitted as a solicitor in England and Wales since 1993. His main legal practice is in the field of commercial and corporate finance.

Mr. Siu is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. Siu's director's fee is fixed HK\$60,000 per annum, which is commensurate with his duties and responsibilities as an independent non-executive director of the Company and the prevailing market situation and subject to shareholders' approval. Save as disclosed above, Mr. Siu did not hold any position within the Group as at the date of this report. Save as disclosed above, he did not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company as at the date of this report.

Save as disclosed above, as at the latest practicable date, Mr. Siu did not have other major appointments and professional qualifications and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the latest practicable date, Mr. Siu was interested in 540,000 shares, representing approximately 0.02% of the issued share capital of the Company and in share options of the Company with the right to subscribe for 2,537,260 Shares at an exercise price of HK\$0.215, representing approximately 0.097% of the issued share capital of the Company. Save as disclosed above, as at the latest practicable date, Mr. Siu did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Siu is not aware of any matters that are required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the Listing rules and there are no other matters in relation to Mr. Siu that need to be brought to the attention to the Shareholders.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Dr. Wong Yun Kuen, aged 53, is independent non-executive director, Chairman of Remuneration Committee and member of Audit Committee.

He received two B.S. degrees in Geology and Mathematics from University of Wyoming, and Master and Ph.D. degree in Geophysics from Harvard University, and was “Distinguished Visiting Scholar” in finance at Wharton School of the University of Pennsylvania. Dr. Wong has worked in financial industries in the United States and Hong Kong for many years, and has considerable experience in corporate finance, investment and derivative products. He is an Adjunct Professor of Syracuse University, USA, and a member of Hong Kong Securities Institute and a life member of American Geophysical Union.

He is executive director of UBA Investments Limited, and independent non-executive director of Bauhaus International (Holdings) Limited, China Grand Forestry Green Resources Group Limited, Climax International Company Limited, Kingston Financial Group Limited, Harmony Asset Limited, Hua Yi Copper Holdings Limited, Kong Sun Holdings Limited, China Yunnan Tin Minerals Group Company Limited, New Island Printing Holdings Limited and ZMAY Holdings Limited.

Dr. Wong is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. Wong’s director’s fee is fixed at HK\$60,000 per annum, which is commensurate with his duties and responsibilities as an independent non-executive director of the Company and the prevailing market situation and subject to shareholders’ approval. Save as disclosed above, Dr. Wong did not hold any position within the Group as at the date of this report. Save as disclosed above, he did not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company as at the date of this report.

Save as disclosed above, as at the date of this report, Dr. Wong did not have other major appointments and professional qualifications and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the latest practicable date, Dr. Wong was interested in 2,000,000 Shares, representing approximately 0.08% of the issued share capital of the Company and in share options of the company with the right to subscribe for 2,537,260 Shares at an exercise price of HK\$0.215, representing approximately 0.097% of the issued share capital of the Company. Save as disclosed above, as at the date of this report, Dr. Wong did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Dr. Wong is not aware of any matters that are required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the Listing rules and there are no other matters in relation to Dr. Wong that need to be brought to the attention to the Shareholders.



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 21/F, Chun Wo Commercial Centre, 23–29 Wing Wo Street, Central, Hong Kong on Tuesday, 28 May 2012 at 10:30 a.m. for the following purposes:

1. To receive and consider the financial statements and the report of the directors and independent auditor's report for the period ended 31 December 2011.
2. To re-elect the retiring directors and to authorize the board of directors to fix the remuneration of the directors.
3. To re-appoint the auditors and to authorize the board of directors to fix the remuneration of the auditors.

ORDINARY RESOLUTIONS

4. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

* For identification purposes only

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(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares of the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the GEM Listing Rules (as defined in ordinary resolution in item 4 of the notice convening the meeting) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT subject to the passing of Resolutions in items 4 and 5 of the notice convening the meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Resolution in item 4 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the

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authority granted pursuant to Resolution in item 5 of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

7. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 9 December 2003 (“**Share Option Scheme**”), representing 9% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to clause 8.2 of the Share Option Scheme:

- (a) approval be and is hereby granted for refreshing the 9% mandate under the Share Option Scheme (“**Refreshed Scheme Mandate Limit**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme of the Company and its subsidiaries (“**Group**”) under refreshment of existing Scheme Mandate Limit shall not exceed 9% of the total number of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit); and
- (b) the directors of the Company or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate Limit in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within refreshment of existing Scheme Mandate Limit.”

By Order of the Board
CHAN Nap Kee, Joseph
Chairman

Dated the 23 April 2012

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Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited with the Hong Kong branch share registrars of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With regard to item no. 2 in this notice, the board of directors of the Company proposes that the retiring Directors, namely, Mr. LIEW Swee Yean, Mr. SIU Siu Ling, Robert and Dr. WONG Yun Kuen be re-elected as directors of the Company. Biographical details of these directors are set out in Appendix II to the Company's circular dated 23 April 2012.
4. An explanatory statement as required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate as ordinary resolution in item 5 above is set out in Appendix I to the Company's circular dated 23 April 2012.
5. The 2011 Annual Report containing, inter alia, the financial statements and the report of the directors and independent auditor's report for the period ended 31 December 2011 has been despatched to shareholders of the Company on or about 20 April 2012. The 2011 Annual Report is available for download on the website of the Company at www.kaisunenergy.com.
6. As at the date of this notice, the board of directors of the Company comprises four executive directors, namely, Mr. CHAN Nap Kee Joseph, Dr. CHOW Pok Yu Augustine, Mr. YANG Yongcheng and Mr. LI Hong and four independent non-executive directors, namely, Mr. LIEW Swee Yean, Mr. SIU Siu Ling Robert, Dr. WONG Yun Kuen and Mr. ANDERSON Brian Ralph.