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## **KAISUN HOLDINGS LIMITED**

**凱順控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8203)**

### **ISSUE OF REMUNERATION SHARES UNDER THE GENERAL MANDATE**

#### **ISSUE OF REMUNERATION SHARES UNDER GENERAL MANDATE**

On 7 June 2023 (after trading hours), the Company entered into the Settlement Agreement, pursuant to which the Legal Adviser and the Subscriber have conditionally agreed with the Company to settle the Outstanding Professional Fees by way of the issuance and allotment of 6,849,789 Remuneration Shares to the Subscriber at an Issue Price of HK\$0.219 per Remuneration Share (subject to the conditions precedent as stated below).

The Remuneration Shares, which shall rank *pari passu* in all respects with the existing Shares in issue, will be allotted and issued under the General Mandate. The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Remuneration Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate. Accordingly, no shareholders' approval is required for the allotment and issue of the Remuneration Shares.

**Completion of the Settlement Agreement is subject to fulfilment of the conditions precedent thereunder. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **ISSUE OF REMUNERATION SHARES UNDER GENERAL MANDATE SETTLEMENT AGREEMENT**

On 7 June 2023 (after trading hours), the Company, the Legal Adviser and the Subscriber entered into the Settlement Agreement, pursuant to which the Legal Adviser and the Subscriber have conditionally agreed with the Company to settle the Outstanding Professional Fees of HK\$1,500,104 by the issuance and allotment of 6,849,789 Remuneration Shares to the Subscriber at an Issue Price of HK\$0.219 per Remuneration Share (subject to the conditions precedent as stated below).

The principal terms of the Settlement Agreement are summarised below:

- Date:** 7 June 2023
- Parties:**
- (i) the Company as issuer,
  - (ii) the Legal Adviser, and
  - (iii) the Subscriber as subscriber

The Legal Adviser is a law firm in Hong Kong and the Subscriber is the service company of the Legal Adviser. The Legal Adviser has provided legal advisory services to the Group since 2021, and the Company owes the Outstanding Professional Fees to the Legal Adviser for unpaid professional services.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Legal Adviser, the Subscriber and its ultimate beneficial owners are Independent Third Parties. As of the date of this announcement, the Legal Adviser, the Subscriber and its ultimate beneficial owners do not own any Shares and has no interest in the Group.

### **Issue Price**

The Issue Price of HK\$0.219 per Remuneration Share:

- (i) equals to the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on the date of the Settlement Agreement; and
- (ii) represents a premium of approximately 2.24% of the average closing price of HK\$0.2142 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Settlement Agreement.

The Issue Price was determined following an arm's length negotiation between the Company, the Subscriber and the Legal Adviser with reference to (i) the prevailing market price, (ii) trading history of the Shares and (iii) market conditions. The Directors are of the view that the Issue Price is determined on normal commercial terms and the terms and conditions of the Settlement Agreement are fair and reasonable and are in the interest of the Company and Shareholders as a whole.

### **Remuneration Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Settlement Agreement, 6,849,789 Remuneration Shares represents:

- (i) approximately 1.19% of the total number of Shares in issue as of the date of this announcement; and
- (ii) approximately 1.17% of the total number of Shares as enlarged by the issue of the Remuneration Shares.

The aggregate nominal value of the Remuneration Shares is HK\$684,978.9. Based on the closing price of the Shares of HK\$0.219 per Share on the date of the Settlement Agreement, the Remuneration Shares have an aggregate market value of HK\$1,500,104.

The total consideration of the Remuneration Shares is HK\$1,500,104.

### **Conditions Precedent**

The obligations of the Company and the Subscriber to effect Completion under the Settlement Agreement are conditional upon the listing of, and permission to deal in, the Remuneration Shares on GEM being granted by the GEM Listing Committee of the Stock Exchange (and such listing and permission not subsequently revoked prior to Completion) on or before 30 June 2023 (or such later date as the parties may agree).

In the event that the conditions precedent is not satisfied on or before 30 June 2023 (or such later date as the parties may agree), the Settlement Agreement shall terminate and neither party shall be liable to the other or have any claim against the other party for damages, compensation or otherwise, save and except any liability for antecedent breaches of either party.

### **Completion**

Completion of the Settlement Agreement will take place within five (5) Business Days immediately following the fulfilment of the conditions precedent as set above.

## **Ranking**

The Remuneration Shares, when issued and allotted, shall rank *pari passu* in all respects with the Shares then in issue at the time of issue and allotment of the Remuneration Shares.

## **General Mandate to Issue the Remuneration Shares**

The Remuneration Shares will be allotted and issued under the General Mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 June 2022. Pursuant to the General Mandate, the Directors are authorised to allot, issue and deal with up to 115,313,211 new Shares, being 20% of the then issued share capital of the Company. As of the date of this announcement, no new Shares have been issued under the General Mandate and the Remuneration Shares will utilise up to 5.94% of the General Mandate. Accordingly, the General Mandate, as granted, is sufficient for the issue and allotment of the Remuneration Shares and hence will not be subject to Shareholders' approval at a general meeting.

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Remuneration Shares.

## **REASONS FOR AND BENEFITS OF THE ISSUE OF REMUNERATION SHARES UNDER THE GENERAL MANDATE**

The Directors, having considered the financial status of the Group and with a view that the Settlement Agreement allows the Company to set off the Outstanding Professional Fees by allotting and issuing the Remuneration Shares which enables to minimise the cash outlay of the Group and to offer more flexibility to the Group's working capital management. The Settlement Agreement was arrived at after arm's length negotiations between the Company, the Legal Adviser and the Subscriber. The Directors (including the independent non-executive Directors) are of the view that the terms of the Settlement Agreement (including the Issue Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate gross proceeds of the subscription under the Settlement Agreement will be HK\$1,500,104. The aggregate net proceeds of the subscription under the Settlement Agreement, after deduction of the related expenses, will be approximately HK\$1,480,104, representing a new Issue Price of approximately HK\$0.216 per Remuneration Share. The Company intends to use the new proceeds to set off the Outstanding Professional Fees.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company (i) as of the date of this announcement; and (ii) immediately upon Completion (assuming that there will be no other change to the share capital and shareholding of the Company other than the issue and allotment of the Remuneration Shares) are as follows:

	As at the date of this announcement		Immediately after the Completion (Note 1)	
	No. of Shares	Approx. % of shareholding	No. of Shares	Approx. % of shareholding
Chan Nap Kee, Joseph (Note 2)	167,263,298	29.01	167,263,298	28.67
Yang Yongcheng (Note 3)	1,675,000	0.29	1,675,000	0.29
Wong Yun Kuen (Note 4)	525,000	0.09	525,000	0.09
Liew Swee Yean (Note 5)	204,000	0.04	204,000	0.03
Chen Chun Long (Note 6)	6,147,000	1.07	6,147,000	1.05
Ching Ho Tung, Philip (Note 6)	<u>220,000</u>	<u>0.04</u>	<u>220,000</u>	<u>0.04</u>
Sub-total:	176,034,298	30.54	176,034,298	30.17
<b>Public</b>				
Subscriber (Note 7)	—	—	6,849,789	1.17
Other public Shareholders	<u>400,531,757</u>	<u>69.46</u>	<u>400,531,757</u>	<u>68.66</u>
Sub-total:	400,531,757	69.46	407,381,546	69.83
Total	<u>576,566,055</u>	<u>100.00</u>	<u>583,415,844</u>	<u>100.00</u>

### Notes:

1. Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the date of allotment and issue of Remuneration Shares.
2. Chan Nap Kee, Joseph is connected person of the Company by virtue of him being an executive Director of the Company.
3. Yang Yongcheng is a connected person of the Company by virtue of him being an executive Director of the Company.
4. Wong Yun Kuen is a connected person of the Company by virtue of him being an independent non-executive Director of the Company.
5. Liew Swee Yean is a connected person of the Company by virtue of him being an independent non-executive Director of the Company.
6. Chen Chun Long and Ching Ho Tung are connected persons of the Company by virtue of them being the joint Chief Executive Officers of the Company.
7. As at the date of announcement, neither the Legal Adviser nor the Subscriber hold any Shares and they are independent of and not connected with the Company and its connected persons.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund-raising activity in the twelve (12) months immediately preceding the date of this announcement.

### **DEFINITIONS**

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

“AGM”	the forthcoming annual general meeting of the Company to be held on 30 June 2023;
“Board”	the board of Directors;
“Business Day(s)”	a day (excluding Saturday and Sunday) on which banks in Hong Kong are open for business;
“Company”	Kaisun Holdings Limited (凱順控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability under the Companies Act (as revised) of the Cayman Islands, the Shares of which are listed on the GEM;
“Completion”	completion of the issue and allotment of the Remuneration Shares under the General Mandate in accordance with the terms and conditions of the Settlement Agreement;
“Completion Date”	a day (to be agreed between the parties) within five (5) Business Days after the satisfaction of the Conditions Precedent;
“Conditions Precedent”	the conditions precedent to the completion of the Settlement Agreement;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	the GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“General Mandate”	the general and unconditional mandate granted to the Directors to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company as of the date of passing of the resolution approving the issue mandate;
“Group”	the Company and its subsidiaries;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of and not connected or acting in concert with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules) and are not connected persons of the Company;
“Issue Price”	the issue price of Remuneration Shares, being HK\$0.219 per Share;
“Legal Adviser”	M.B. KEMP LLP, an Independent Third Party, acting as the legal adviser to the Company in provision of legal advisory services to the Company;
“Outstanding Professional Fees”	HK\$1,500,104, the outstanding professional fees payable by the Company to the Legal Adviser;
“Remuneration Shares”	6,849,789 new Shares to be allotted and issued under the General Mandate to the Subscriber at an Issue Price of HK\$0.219 per Share in accordance with the terms of the Settlement Agreement;
“Settlement Agreement”	the conditional agreement dated 7 June 2023 and entered into between the Company, the Legal Adviser and the Subscriber in relation to the issuance of Remuneration Shares for the settlement of the Outstanding Professional Fees;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscriber” Kemp Services Limited, a company incorporated in Hong Kong with limited liability, being the service company of the Legal Adviser, is owned as to 50% and 50% of the total issued shares by Mr. Voon Keat Lai and Ms. Yeeling Wan. Mr. Voon Keat Lai is a partner of the Legal Adviser providing legal services to the Group since 2021, together with the Subscriber and Ms. Yeeling Wan, are Independent Third Parties; and

% per cent.

By Order of the Board  
**KAISUN HOLDINGS LIMITED**  
**CHAN Nap Kee, Joseph**  
*Chairman and Executive Director*

Hong Kong, 7 June 2023

*The English text of this announcement shall prevail over the Chinese text in case of inconsistencies.*

*As of the date of this announcement, the Board comprises two executive directors of the Company Mr. CHAN Nap Kee Joseph, Mr. YANG Yongcheng and three independent non-executive directors of the Company Mr. LIEW Swee Yean, Dr. WONG Yun Kuen and Mr. WU Zheng.*

*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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement 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, and on the Company’s website at <http://www.kaisun.hk>.*

\* *for identification purposes only*