

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 295)

**DISCLOSEABLE TRANSACTION
RELATING TO THE PROVISION OF LOAN**

The Board announced that on 16 October 2013 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to lend to the Borrower a loan in the principal amount of HK\$10,000,000 for a period of six months from the date of drawdown at an interest rate of 7% per annum. The Loan is secured by, among other things, the Share Charge and the Guarantee.

As the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the grant of the Loan under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE LOAN AGREEMENT

Date: 16 October 2013

Lender: Kong Sun Finance Limited, an indirect wholly-owned subsidiary of the Company

Borrower: the borrower under the Loan Agreement

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower and its sole shareholder, being the Guarantor, are independent third parties and not connected with the Company and connected persons of the Company

Principal Loan Amount: Hong Kong dollars ten million (HK\$10,000,000)

Term: Six months commencing from the date of drawdown

Interest: 7% per annum

Repayment: The outstanding principal amount together with the interest of the Loan shall be repaid on the date falling six months from the date of drawdown

Security for the Loan: The Share Charge and the Guarantee

The terms of the Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower. The Lender is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) and is principally engaged in the business of money lending service.

The terms of the Loan Agreement were determined with reference to the normal commercial practice and the terms of conducting money lender business in Hong Kong. The Loan will be funded from internal resources of the Group. The Directors consider that the transactions contemplated under the Loan Agreement are on normal commercial terms and the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole having considered the prevailing market borrowing rates quoted by commercial banks in Hong Kong.

INFORMATION ON THE COMPANY, THE GROUP AND THE LENDER

The principal activity of the Company is an investment holding company and the principal activities of the Group are properties investment, manufacturing and sales of life-like plants and securities investment.

The Lender is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

The Lender is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Cap. 163, Laws of Hong Kong) and is principally engaged in the business of money lending services.

INFORMATION ON THE BORROWER AND THE GUARANTOR

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the principal activity of the Borrower is investment holding. The Guarantor is the sole shareholder and sole director of the Borrower.

REASONS FOR THE LOAN

The Loan will provide interest income to the Lender and will be recorded as loan receivables of the Group.

The Directors consider that the provision of the Loan will result in a reasonable interest return to the Group. Taking into consideration that the Loan is secured by the Share Charge and the Guarantee, the Directors consider that the provision of the Loan is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the grant of Loan under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

| | |
|-----------------------|---|
| “Board” | the board of Directors; |
| “Borrower” | the borrower under the Loan Agreement, a company incorporated in the British Virgin Islands with limited liability; |
| “Company” | Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on Stock Exchange; |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Directors” | the directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Guarantee” | a personal guarantee executed by the Guarantor dated 16 October 2013 in favour of the Lender pursuant to which the Guarantor, jointly and severally, provide guarantees in favour of the Lender to secure the payment obligations of the Borrower under the Loan Agreement; |
| “Guarantor” | the sole shareholder and sole director of the Borrower; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | Hong Kong Special Administrative Region of PRC; |
| “Lender” | Kong Sun Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company; |
| “Listing Rules” | the Rules Governing the Listing of Securities on Stock Exchange; |

| | |
|------------------|--|
| “Loan” | a term loan in the principal amount of HK\$10,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement; |
| “Loan Agreement” | a loan agreement dated 16 October 2013 entered into between the Lender and the Borrower relating to the provision of the Loan; |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company; |
| “Share Charge” | the share charge executed by the Borrower in favour of the Lender in relation to the charge of 37,000,000 shares of a listed company (the shares of which are listed on the Growth Enterprise Market of the Stock Exchange) whose subsidiaries are principally engaged in provision of consultancy and advisory services, representing approximately 4.6% of its entire issued share capital as security for the Loan; |
| “Shareholders” | the shareholders of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “%” | per cent. |

By order of the Board
Kong Sun Holdings Limited
Yu Pak Yan, Peter
Chairman

Hong Kong, 16 October 2013

As at the date of this announcement, the Board comprises Mr. Yu Pak Yan, Peter and Mr. Chang Hoi Nam, as the executive Directors and Mr. Lau Man Tak, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, as the independent non-executive Directors.