

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kong Sun Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s), transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 295)

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
(3) REFRESHMENT OF SCHEME MANDATE LIMIT;
(4) PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “AGM”) of the Company to be held at 3/F, Nexus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 21 May 2014 at 11:00 a.m. is set out on pages 30 to 34 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Computershare Hong Kong Investor Services Limited at 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

15 April 2014

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DEFINITIONS

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

“AGM”	annual general meeting of the Company to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 21 May 2014 at 11:00 a.m.
“Articles”	the articles of association of the Company
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (or the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) before 3 March 2014), as amended from time to time
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of approval of the mandate
“Latest Practicable Date”	10 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Repurchase Mandate”	a general mandate to the Directors to exercise all the powers of the Company to repurchase Shares not exceeding 10% of the issued share capital of the Company as at the date of approval of the mandate

DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Share Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holders of Share(s) in issue
“Share Option(s)”	the option(s) to subscribe for Share(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 22 July 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$” and “\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 295)

Executive Directors:

Yu Pak Yan, Peter (*Chairman*)

Chang Hoi Nam

Liu Wen Ping

Independent non-executive Directors:

Lau Man Tak

Man Kwok Leung

Wong Yun Kuen

Registered Office and Principal

Place of Business:

Unit 905, 9/F

Wings Building

110–116 Queen's Road Central

Hong Kong

15 April 2014

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
(3) REFRESHMENT OF SCHEME MANDATE LIMIT;
(4) PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with details in respect of (i) the grant of general mandates to Directors to issue and repurchase Shares; (ii) the re-election of retiring Directors; (iii) the refreshment of the Scheme Mandate Limit; (iv) the abolishment of Memorandum and the adoption of new Articles; and (v) to give you a notice of the AGM.

ISSUE MANDATE AND REPURCHASE MANDATE

The Directors propose to seek the approval of the Shareholders at the AGM by way of passing an ordinary resolution for granting the general mandates to the Directors (i) to allot, issue and otherwise deal with the new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution and (ii) the extension of the aforesaid mandate by addition thereto the number of Shares repurchased pursuant to the

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proposed general mandate for repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the relevant resolution as described below, and (iii) to repurchase Shares not exceeding 10% of the share capital of the Company in issue at the date of passing the relevant resolution, at any time during the period ending on the earlier of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or its Articles or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in the general meeting of the Company.

As at the Latest Practicable Date, the number of Shares in issue was 1,762,662,519 Shares. On the basis that no further Shares will be issued or repurchased prior to the AGM, (i) the Issue Mandate in full would enable the Company to allot, issue and deal with a maximum of 352,532,503 Shares, and (ii) the Repurchase Mandate in full would enable the Company to repurchase a maximum of 176,266,251 Shares.

The purpose of the general mandate to allot, issue and deal with new Shares is to enable the Directors to capture right timing of the securities market to widen the capital base of the Company. The Directors have no present intention to issue or repurchase any Shares under the general mandates to be sought at the AGM.

An explanatory statement as required by the Listing Rules for information on the general mandate to repurchase Shares is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 77 of the Articles, Mr. Chang Hoi Nam and Mr. Liu Wen Ping, being executive Directors, shall retire at the conclusion of the AGM and shall be eligible for re-election at the AGM.

In accordance with articles 81 to 84 of the Articles, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, being independent non-executive Directors, shall retire by rotation at the conclusion of the AGM and shall be eligible for re-election at the AGM.

Details of the above retiring Directors to be re-elected at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 22 July 2009. The current Scheme Mandate Limit was refreshed on 7 May 2013, entitling the Company to grant up to 146,896,251 Share Options, representing 10% of the issued share capital of the Company as at 7 May 2013. During the period from 7 May 2013 to the Latest Practicable Date, no Share Options were granted, lapsed, exercised or cancelled. As at the Latest Practicable Date, there was no outstanding Share Options granted under the Share Option Scheme.

As at the Latest Practicable Date, the Company has 1,762,662,519 Shares currently in issue. Assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the maximum number of Shares which may

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be issued upon the exercise of all the Share Options to be granted under the Scheme Mandate Limit as refreshed will be 176,266,251 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the refreshed limit by the Shareholders at the AGM.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Share Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The issued share capital of the Company was enlarged by the issue of 293,700,000 placing share on 3 October 2013. The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit so as to enhance flexibility of granting further Share Options under the Share Option Scheme. The Board therefore seeks the approval of the Shareholders at the AGM to refresh the Scheme Mandate Limit.

The adoption of the refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the Shareholders passing a resolution to approve the refreshment of the Scheme Mandate Limit at the AGM; and
- (b) the approval by the Stock Exchange for the listing of and permission to deal in such number of Shares representing 10% of the Shares in issue as at the AGM to be issued pursuant to the exercise of the Share Options to be granted under the Scheme Mandate Limit as refreshed.

Application will be made to the Stock Exchange for the listing of, and the permission to deal in the Shares to be issued under the refreshed Scheme Mandate Limit.

ABOLISHMENT OF EXISTING MEMORANDUM AND ADOPTION OF NEW ARTICLES

The new Companies Ordinance abolishes the requirement to have a memorandum of association as a constitutional document of a local company. A company incorporated in Hong Kong under the new Companies Ordinance is only required to have articles of association.

Under the new Companies Ordinance, the information of (i) the name of the Company ; (ii) the object clause; (iii) Members' liabilities; and (iv) liabilities or contribution of members (for limited companies) will be contained in the new Articles of Association instead of Memorandum.

To facilitate the compliance with the implementation of the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the subsidiary legislation which have commenced operation on 3 March 2014, the Directors propose to seek the approval of the Shareholders by way of a special resolution for the adoption of the new Articles at the AGM, so as to bring the Articles in line with amendments made to the Companies Ordinance, as well as to modernize and update the Articles.

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The major changes brought about by the new Articles are summarised as follows:

1. Principal change to the proposed amendments to the new Articles to be adopted

Removal of object clause

- under the new Companies Ordinance, the object clause (along with other provisions) previously included in an existing company's memorandum of association are no longer contained in the new Articles.

Abolition of nominal value

- the new Companies Ordinance prescribes that shares in a company, whether issued before or after the commencement date of the new Companies Ordinance, have no nominal value. The concept of nominal value is therefore abolished and any reference to the nominal value of the Shares shall be removed in the new Articles to be adopted.

Maximum number of shares

- with the abolition of nominal value, the statement in the company's memorandum of association regarding its authorised share capital is deleted.

Alteration of capital

- existing Article 48 provides for the consolidation, subdivision and cancellation of the Shares. Existing Article 48 will be replaced by new Article(s) by aligning them to section 170 of the new Companies Ordinance.

Removal of power of issue bearer warrants

- removal of the power of the Company to issue bearer warrants as this is no longer permitted under the new Companies Ordinance.

Reasoning for refusal to register a transfer of shares

- inclusion of a provision whereby the Board must give reasons for any refusal to register a transfer of shares if it is requested to do so by a transferee.

Deletion of the reconvert power of the Company to convert shares

- deletion in its entirety of any power of the Company to convert shares into stock and to reconvert stock into shares, following the abolition in the new Companies Ordinance, of the power of a company to convert shares into stock.

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Annual general meeting be held within six months of the end of a company's financial year

- removal of the provision that no more than fifteen months may elapse between the date of one annual general meeting of the Company and that of the next as the new Companies Ordinance has, for any financial year commencing after 3 March 2014, substituted requirements for the holding of an annual general meeting within six months of the end of a company's financial year end.

Change of the requirement that the convening of a general meeting

- removal of the requirement that the convening of a general meeting (other than an annual general meeting) of the Company called for the passing of a special resolution requires no less than 21 days' notice, following the reduction of the notice period in the new Companies Ordinance to no less than 14 days (subject always to the provisions of the Listing Rules).

Total voting right requirement for the demanding of a poll

- reduction of the threshold for demanding a poll to members present in person or by proxy representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting, rather than the current 10%.

Instrument appointing a proxy

- provision of a requirement that the instrument appointing a proxy and power of attorney or other authority shall be received by the Company (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

Ability of the Directors to grant rights to subscribe for shares

- provision whereby the Directors' ability to grant rights to subscribe for shares (i.e. options) or the conversion of security into shares will, consistent with the current provisions of the company law relating to the allotment and issue of shares, require the approval by the Company in general meeting. As a practical matter, this does not, in substance, change the usual form of general mandate to allot and issue shares which a listed company in Hong Kong may typically seek from its shareholders at an annual general meeting.

Please refer to the explanatory statement on the proposed amendments to the Memorandum and Articles of Association in Appendix III to this circular for more details.

The legal adviser to the Company as to Hong Kong laws has confirmed that the proposed new Articles comply with the requirements of the Listing Rules. The Company confirms that there is nothing unusual about the proposed amendments for a Hong Kong company listed on the Stock Exchange.

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Shareholders are advised that the Articles are available only in English and the Chinese translation of the proposed new Articles provided in Appendix III to this circular is for reference only. In case of any inconsistency, the English version shall prevail.

AGM

A notice of the AGM is set out on pages 30 to 34 of this circular. At the AGM, resolutions will be proposed for the Shareholders to consider and, if thought fit, among other things, to approve (i) the grant of general mandates to Directors to issue and repurchase Shares; (ii) the re-election of the retiring Directors; (iii) the refreshment of the Scheme Mandate Limit; and (iv) the abolishment of the Memorandum and adoption of new Articles.

A form of proxy for use at the AGM is sent to the Shareholders together with this circular. Whether or not the Shareholders are able to attend the AGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding of the AGM or adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the AGM or any adjourned meeting thereof should the Shareholders so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

RECOMMENDATION

The Board believes that the general mandates to issue and repurchase shares, re-election of retiring directors, refreshment of Scheme Mandate Limit and the abolishment of the Memorandum and adoption of new Articles to be put before the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Yu Pak Yan, Peter
Chairman

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

REPURCHASE MANDATE

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules relating to an ordinary resolution to be proposed at the AGM to approve a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to purchase, at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution, shares in the capital of the Company, up to a maximum of 10% of the number of the Shares in issue of the Company as at the date of passing the resolution.

The Directors believe the Repurchase Mandate is in the interests of the Company and Shareholders, and accordingly recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the AGM.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 1,762,662,519 Shares. Subject to the passing of an ordinary resolution for the grant of the Repurchase Mandate and on the basis that no further Shares are issued or purchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 176,266,251 Shares.

REASONS FOR REPURCHASES

The Directors consider that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. 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 its assets and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

Repurchases of Shares will be funded entirely from funds legally available for such purpose in accordance with the Articles and the applicable laws of Hong Kong. It is presently proposed that any Shares repurchased under the Repurchase Mandate would be repurchased out of the capital paid up on the repurchased Shares, profits of the Company which would otherwise be available for distribution.

IMPACT ON WORKING CAPITAL

There might be a material adverse impact on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in its audited financial statements contained in the annual report of the Company for the year ended 31 December 2013) 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 impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their respective associates, having any present intention to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is granted.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that he has a present intention to sell to the Company or its subsidiaries any of his Shares, or has undertaken not to do so, in the event that the Repurchase Mandate is granted.

TAKEOVERS CODE AND SHARE REPURCHASES

In the event that the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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 Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the Company does not have any Substantial Shareholder. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such extent as to result in takeover obligations or that the aggregate amount of Shares in public hands would reduce below 25%.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
April	0.125	0.103
May	0.111	0.095
June	0.128	0.085
July	0.120	0.087
August	0.130	0.100
September	0.179	0.100
October	0.215	0.135
November	0.229	0.160
December	0.196	0.165
2014		
January	0.198	0.165
February	0.300	0.165
March	0.465	0.239
April (up to the Latest Practicable date)	0.630	0.415

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

Pursuant to the Listing Rules, details of the Directors who will retire at the conclusion of the AGM according to the Articles and will be proposed to be re-elected at the AGM are provided below:

THE EXECUTIVE DIRECTORS

Mr. Chang Hoi Nam

Mr. Chang Hoi Nam (“Mr. Chang”), aged 35, joined the Group on 30 September 2013. Mr. Chang obtained a bachelor degree in business management from the University of New Brunswick of Canada in September 2000. Mr. Chang is currently an executive director and the chief executive officer of China Assurance Finance Group Limited (stock code: 8090). Mr. Chang was an independent non-executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) from June 2012 to September 2012.

Save as disclosed, Mr. Chang does not hold any other position with the Company or its subsidiaries, nor has he held any directorship in other listed public companies in the past three years. Mr. Chang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company except for his co-directorships with Mr. Lau Man Tak the independent non-executive Director, in Sincere Watch (Hong Kong) Limited (stock code: 444). As at the Latest Practicable Date, Mr. Chang does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chang has entered into a letter of appointment with the Company with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Chang received a remuneration of approximately HK\$90,000 for the year ended 31 December 2013. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company. Save as disclosed above, the Board is not aware of any matter in relation to Mr. Chang that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the Shareholders in relation to Mr. Chang’s reelection.

Mr. Liu Wen Ping

Mr. Liu Wen Ping (“Mr. Liu”), aged 36, Mr. Liu received his Ph.D. degree from Shanghai Institute of Microsystem and Information Technology, Chinese Academy of Sciences and has a Bachelor degree in Physics from Peking University. Mr. Liu has worked in financial industries in China for 6 years, and has 8 years experiences in solar industry. Mr. Liu is currently a founder and chief executive officer of 瀾晶投資諮詢(上海)有限公司 (Sapphire Investment Consulting Shanghai Limited).

Save as disclosed, Mr. Liu does not hold any other position with the Company or its subsidiaries, nor has he held any directorship in other listed public companies in the past three years. Mr. Liu does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Liu does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Liu has entered into a letter of appointment with the Company with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company. Save as disclosed above, the Board is not aware of any matter in relation to Mr. Liu that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the Shareholders in relation to Mr. Liu's reelection.

THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Man Kwok Leung

Mr. Man Kwok Leung ("Mr. Man"), aged 67, joined the Group on 2 June 2009 and is the chairman of the nomination committee and is the member of the audit committee and remuneration committee of the Company. Mr. Man is a solicitor of the High Court of Hong Kong and a civil celebrant of marriages. Mr. Man has extensive experience in the legal practice. Mr. Man had been appointed by Xinhua News Agency as a district advisor from 1995 to 1997. Mr. Man is currently appointed as a director of Apleichau Kai Fong Primary School, the deputy chairman of Apleichau Kai Fong Welfare Association, the secretary of Apleichau Promotion of Tourism Association and the honorary legal advisor of Junior Police Officers' Association. Mr. Man is currently an independent non-executive director of Climax International Company Limited (stock code: 439), Guocang Group Limited (formerly known as Hua Yi Copper Holdings Limited stock code: 559) and Noble Century Investment Holdings Limited (stock code: 2322). Mr. Man was an independent non-executive director of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085) from November 2009 to September 2012.

Save as disclosed, Mr. Man does not hold any other position with the Company or any of its subsidiaries, nor has he held any directorships in other listed public companies in the last three years. Mr. Man does not have any relationships with other Directors, senior management, substantial or controlling shareholders of the Company except for his co-directorships with Mr. Yu Pak Yan, Peter, the chairman and executive Director, in Noble Century Investment Holdings Limited (stock code: 2322); Mr. Lau Man Tak and Dr. Wong Yun Kuen, the independent non-executive Directors, in Climax International Company Limited (stock code: 439); with Dr. Wong Yun Kuen, the independent non-executive Director, in Guocang Group Limited (formerly known as Hua Yi Copper Holdings Limited stock code: 559) and Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085). As at the Latest Practicable Date, Mr. Man does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Man was disciplined by The Law Society of Hong Kong in 2000. He was censured, ordered to bear the costs of the disciplinary proceedings on a full indemnity basis and ordered to pay the following fines:

- (a) HK\$12,000 for failing to deliver to a client within 7 days of receiving her instructions to act for her in a criminal case a letter confirming her instructions, his costs, counsel's fees and setting out various matters that needed to be drawn to her attention in respect of the criminal case.
- (b) HK\$8,000 for acting in a manner which compromised or impaired or was likely to compromise or impair his own reputation or the reputation of the profession in handing to his client on 31 May 1999 a letter dated back to 29 December 1998.
- (c) HK\$25,000 for failing to keep properly written up books, ledgers and accounts as may be necessary during the period from 1 July 1998 to 3 August 1999.

Mr. Man has entered into a letter of appointment with the Company with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Man received a remuneration of approximately HK\$100,000 for the year ended 31 December 2013. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company. Save as disclosed above, the Board is not aware of any matter in relation to Mr. Man that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the Shareholders in relation to Mr. Man's reelection.

Dr. Wong Yun Kuen

Dr. Wong Yun Kuen ("Dr. Wong"), aged 56, joined the Company since 20 April 2007 and is the chairman of the remuneration committee and the member of the audit committee and nomination committee of the Company. Dr. Wong received his Ph.D. degree from Harvard University, and was "Distinguished Visiting Scholar" at the 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. Dr. Wong is a member of the Hong Kong Securities Institute. Dr. Wong is an executive director of UBA Investments Limited (stock code: 768). Dr. Wong is also an independent non-executive director of Harmony Asset Limited (stock code: 428), Bauhaus International (Holdings) Limited (stock code: 483), Kaisun Energy Group Limited (stock code: 8203), China Yunnan Tin Minerals Group Company Limited (stock code: 263), Guocang Group Limited (formerly known as Hua Yi Copper Holdings Limited stock code: 559), Kingston Financial Group Limited (stock code: 1031) Climax International Company Limited (stock code: 439), China Sandi Holdings Limited (stock code: 910), New Island Printing Holdings Limited (stock code: 377) and Sincere Watch (Hong Kong) Limited (stock code: 444).

Save as disclosed, Dr. Wong does not hold any other positions with the Company or its subsidiaries, nor has he held any directorship in other listed public companies in the past three years. Dr. Wong does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company except for his co-directorships with Mr. Yu Pak Yan, Peter, the chairman and executive Director, in Kingston Financial Group Limited (stock code: 1031) and China Sandi Holdings Limited (stock code:

910); with Mr. Man Kwok Leung, the independent non-executive Director, in Climax International Company Limited (stock code: 439), Guocang Group Limited (formerly known as Hua Yi Copper Holdings Limited stock code: 559) and Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085); with Mr. Lau Man Tak, the independent non-executive Director, in Kingston Financial Group Limited (stock code: 1031), Climax International Company Limited (stock code: 439), China Sandi Holdings Limited (stock code: 910) and Sincere Watch (Hong Kong) Limited (stock code: 444). As at the Latest Practicable Date, Dr. Wong does not have any interests in the Shares within the meaning of Part XV of the SFO.

Dr. Wong has entered into a letter of appointment with the Company with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Dr. Wong received a remuneration of approximately HK\$100,000 for the year ended 31 December 2013. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company. Save as disclosed above, the Board is not aware of any matter in relation to Dr. Wong that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the Shareholders in relation to Dr. Wong's re-election.

1. BACKGROUND FOR THE PROPOSED ADOPTION OF THE NEW ARTICLES

With effect from 3 March 2014, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) was substantially superseded by the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “New CO”). In response to the New CO, the Company proposes to adopt the new Articles (the “New Articles”) to replace the existing memorandum and Articles of the Company (the “Existing Articles”).

2. ADOPTION OF THE NEW ARTICLES AND MAJOR AMENDMENTS MADE IN RESPONSE TO THE CHANGES INTRODUCED BY THE NEW CO**(a) Abolishment of the Memorandum**

Under the New CO, the objects clause (along with other provisions) included in the memorandum of association are deemed to be contained in the Articles. Under the New CO, the requirement for a company to have a memorandum of association is abolished and only articles of association are required.

In light of such change and for clarity, the Company proposes to have a special resolution at the AGM to adopt the New Articles which, among other matters, do not include any objects clauses contained in the memorandum of association of the Company in substitution of the memorandum and the Existing Articles.

(b) Abolition of nominal value

Under the New CO, the Shares in a company incorporated in Hong Kong, whether issued before or after the effective date of the New CO, shall have no nominal value. In light of that, the various provisions contained in the Existing Articles containing references to “par value”, “nominal value”, “nominal amount”, “share premium”, “share premium account” and “capital redemption reserve”, are re-drafted or deleted as appropriate in the new Articles.

(c) Abolition of concept of authorised share capital

With the abolition of nominal value, the statement in the Company’s memorandum of association regarding its authorised share capital is deleted in the New Articles. Moreover, the various provisions contained in the Existing Articles containing references to “unissued shares” and “authorised capital” are re-drafted or deleted as appropriate in the New Articles.

Moreover, additional defined terms such as “fully paid up”, “issue price” and “partly paid up” will be included in the New Articles to reflect the changes as a result of the abolition of the concept of authorised share capital.

Existing capital clause in the memorandum in relation to the increase in the authorised share capital is deleted in the New Articles.

(d) Alteration of capital

Existing Article 48 provides for the consolidation, subdivision and cancellation of the Shares. Existing Article 48 will be replaced by New Article(s) by aligning them to section 170 of the New CO.

(e) Share warrants to bearer

Existing Articles 14 and 15 were deleted to reflect the changes introduced by the New CO which repeals the power of companies to issue share warrants to bearer.

(f) Directors' power to refuse to register transfers without giving reasons

Inclusion of a provision whereby the Board must give reasons for any refusal to register a transfer of shares if it is requested to do so by a transferee.

(g) Deletion of the reconvert power of the Company to convert shares

Deletion in its entirety of any power of the Company to convert shares into stock and to reconvert stock into shares, following the abolition in the New CO, of the power of a company to convert shares into stock.

(h) Annual general meeting be held within six months of the end of a company's financial year

Removal of the provision that no more than fifteen months may elapse between the date of one annual general meeting of the Company and that of the next as the New CO has, for any financial year commencing after 3 March 2014, substituted requirements for the holding of an annual general meeting within six months of the end of a company's financial year end.

(i) Change of the requirement that the convening of a general meeting

Removal of the requirement that the convening of a general meeting (other than an annual general meeting) of the Company called for the passing of a special resolution requires no less than 21 days' notice, following the reduction of the notice period in the New CO to no less than 14 days (subject always to the provisions of the Listing Rules).

(j) Total voting right requirement for the demanding of a poll

Reduction of the threshold for demanding a poll to members present in person or by proxy representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting, rather than the current 10%.

(k) Instrument appointing a proxy

Provision of a requirement that the instrument appointing a proxy and power of attorney or other authority shall be received by the Company (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

(l) Ability of the Directors to grant rights to subscribe for shares

Provision whereby the Directors' ability to grant rights to subscribe for shares (i.e. options) or the conversion of security into shares will, consistent with the current provisions of the company law relating to the allotment and issue of shares, require the approval by the Company in general meeting. As a practical matter, this does not, in substance, change the usual form of general mandate to allot and issue shares which a listed company in Hong Kong may typically seek from its shareholders at an annual general meeting.

3. DETAILS OF THE PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES ARE SET OUT AS FOLLOWS

- (i) The Memorandum of the Company shall be deleted in its entirety.
- (ii) References to "Memorandum and New Articles of Association" shall be revised to read as "Articles of Association".
- (iii) The following new Articles are to be inserted at the beginning of the Articles of Association:

“ **COMPANY NAME**

The name of the company is “KONG SUN HOLDINGS LIMITED 江山控股有限公司”.

MEMBERS' LIABILITY

- (i) The liability of the members is limited.
- (ii) The liability of the members is limited to any amount unpaid on the shares held by the members.”

- (iv) By deleting the existing Article 2 in its entirety and substituting with the following:

“TABLE A AND MODEL ARTICLES

The regulations contained in (a) Table A in the First Schedule to the predecessor of the Companies Ordinance and (b) Model Articles in Schedule 1 of the Companies (Model Articles) Notice (Cap. 622H) shall not apply to the Company.”

- (v) By deleting the existing Article 5 in its entirety and substituting with the following:

“5. Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any shares or attaching to any class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, or be redeemable whether at the option of the Company or the holder, and to such persons at such times and for such consideration as the Board may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”. The directors may determine the terms, conditions and manner of redemption of the shares.”

- (vi) By deleting the existing Article 14 in its entirety and substituting with the following:

“14. The Company may issue warrants (hereinafter called “share warrants”) stating that the bearer is entitled to the share therein specified, and may provide by coupons or otherwise howsoever for the payment of future dividends on the shares included in such warrants, provided that the Company shall not have power to issue share warrants to bearer.”

- (vii) By deleting the existing Article 7 in its entirety and substituting with the following:

“7. Subject to the Ordinance, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders representing at least 75% of the total voting rights of holders of shares in the class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutates mutandis apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one-third of the total voting right of the class, that every holder of shares of the class shall be

entitled to one vote for every such share held by him and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.”

(viii) By deleting the existing Article 45 in its entirety and substituting with the following:

“45. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe in any one or more of the ways set out in Section 170 of the Ordinance.”

(ix) By deleting the existing Article 112 in its entirety and substituting with the following:

“112. Every certificate of shares, stock, debentures or debenture stock of the Company must (a) have affixed to it the Company’s common seal or a Securities Seal provided that, with the authority of a resolution of the Board, any such certificate may be issued under the Seal or a Securities Seal but without such signatures or with such signatures made or fixed by means of some mechanical method or system of under Section 126 of the Ordinance; or (b) be otherwise executed in accordance with the Ordinance.”

(x) By deleting the following words in the second line of the existing Article 22 “(whether on account of the nominal amount of the shares or by way of premium)” after the words “any moneys unpaid on their shares”

(xi) By deleting the following words in the third line of the existing Article 26 “whether on account of the nominal amount of the share or by way of premium,” before the words “shall for all the purposes of these Articles be deemed”

(xii) By deleting the existing Article 38 in its entirety and substituting with the following:

“38. The Board may decline to register any transfer of any share which is not a fully paid share.”

(xiii) By deleting the existing Article 40 in its entirety and substituting with the following:

“40. If the Board refuses to register the transfer of a share:

- (i) the transferor or transferee may request a statement of the reasons for the refusal; and
- (ii) the instrument of transfer must be returned to the transferor or transferee who lodged it unless the Board suspects that the proposed transfer may be fraudulent.

40A. The instrument of transfer must be returned in accordance with Article 40(ii) together with a notice of refusal within 2 months after the date on which the instrument of transfer was lodged with the Company.

40B. If a request is made under Article 40(i), the directors must, within 28 days after receiving the request:

- (i) send the transferor or transferee who made the request a statement of the reasons for the refusal; or
- (ii) register the transfer.”

(xiv) By deleting the following words in the eighth line of the existing Article 106A. (2)(d) “share premium account” after the words “reserve accounts (including”.

(xv) By deleting the existing Article 48 in its entirety and substituting with the following:

“48. The Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in Section 170 of the Ordinance, including but not limited to:

- (a) consolidating and dividing all or any of its share capital into shares of a larger amount than its existing shares;
- (b) cancelling any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and may also by special resolution; and
- (c) subject to any confirmation or consent required by law, reduce its issued share capital or any capital redemption reserve in any manner. Where any difficulty arises in regard to any consolidation and division under paragraph (a) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to or in accordance with the directions of the purchaser thereof. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.”

(xvi) By deleting the existing Article 49 in its entirety and substituting with the following:

“49. The Board shall convene and the Company shall hold general meetings in each financial year as annual general meetings in accordance with the requirements of the Ordinance at such times and places as the Board shall appoint; and may be held at two or more places using any technology that enables the members who are not together at the same place to listen, speak and vote at the meeting. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.”

(xvii) By deleting the existing Article 51 in its entirety and substituting with the following:

“51. Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) an annual general meeting shall be called by not less than twenty-one clear days’ notice or twenty clear business days’ notice in writing or by other electronic means, whichever is longer; (b) shall be called by not less than twenty-one clear days’ notice or ten clear business day’s notice in writing or by other electronic means, whichever is longer (as may be required by the Listing Rules); and (c) a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen clear days’ notice or ten clear business days’ notice in writing or by other electronic means, whichever is the longer (as may be required by the Listing Rules). Subject to the requirements of the Listing Rules the notice shall be exclusive of the day on which it is served or deemed to be served, received or delivery and of the day for which it is given, sent or supplied and shall specify the place (and if the meeting is to be held in two or more places, the principal place of the meeting and the other place or places of meeting), day and time of meeting, the general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company. Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article, it shall be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all the members.”

(xviii) By deleting the existing Article 53 in its entirety and substituting with the following:

“At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (1) required by the Listing Rules, except where the Chairman of the meeting, in good faith and in compliance with the Listing Rules, decides to allow such resolution to be voted on by a show of hands; or (2) (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or

- (iii) by any member or members present in person or by proxy and representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so required or demanded as aforesaid, and in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

(xix) By adding the words in the last line of existing Article 57 “A proxy may be elected to be the Chairman of a general meeting by a resolution of the Company passed at the meeting.” after the words of “elect one of their number to be chairman.”

(xx) By deleting the existing Article 73 in its entirety and substituting with the following:

“73. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in Hong Kong as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) and received by the Company (a) for a general meeting or adjourned general meeting, at least 48 before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; and (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned.”

(xxi) By adding the words in the eighth line of existing Article 77 “, or if earlier, the next following extraordinary general meeting” after the words of “until the next following annual general meeting”.

(xxii) By deleting the existing Article 89(C) in its entirety and substituting with the following:

“(C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and subject to the Ordinance, shall not be liable to

account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.”

(xxiii) By adding the words in the fourth line of existing Article 89(F) “(except that of auditor of the Company)” after the words of “office or place of profit”.

(xxiv) By deleting the existing Article 89(G) in its entirety and substituting with the following:

“(G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a transaction, contract or arrangement or proposed transaction, contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the transaction, contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case as soon as is reasonably practicable, and in any event at the first meeting of the Board after he knows that he is or has become so interested. Such declaration shall be made in accordance with the Ordinance. For this purpose, a general notice to the Board by a Director to the effect that:

- (i) he is interested (as a member of, officer, employee or otherwise) in a specified company or firm (with such notice to specify the nature and extent of the Director’s interest) and is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with that company or firm; or
- (ii) he is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with a specified person who is connected (as such term is defined in the Ordinance) with him (with such notice to specify the nature of the Director’s connection),

shall be deemed to be a sufficient declaration of interest in relation to any such transaction, contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or it is in writing and sent to the Company, and the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.”

(xxv) By deleting the existing Article 89(I) in its entirety and substituting with the following:

“(I) A company shall be deemed to be a company in which a Director is interested, where such Director and his associates own five (5) per cent. or more if and so long as (but only if and so long as) he and his associates are (either directly or indirectly) the holder of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director or any of his associate(s) as bare or custodian trustee and in which he or such associate(s) has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director or any of his associates is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or any of his associates is interested only as a unit holder.”

(xxvi) By deleting the following words in the eighth line of the existing Article 77 “annual” after the words “until the next following”.

(xxvii) By deleting the following words in the first line of existing Article 78 “The Company may by ordinary resolution” and replaced with the words “Subject to the Ordinance, the Company may by ordinary resolution”.

(xxviii) By adding the words in the fourth line of existing Article 1(A) “and the approval by the Company in the general meeting” before the words of “, to issue debentures and other securities,”

(xxix) By deleting the existing Article 90 in its entirety and substituting with the following:

“90. The business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Ordinance or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Ordinance and of these Articles and to such regulations, being not inconsistent with such provisions or these Articles or the provisions of the Ordinance, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.”

(xxx) By deleting the existing Article 66 in its entirety and substituting with the following:

“66. In the case of an equality of votes at a general meeting the chairman of such meeting shall be entitled to a second or casting vote (except in the case where the Chairman is not permitted to vote or be counted in quorum of any meeting of the Board).”

(xxxi) By adding the paragraph of Article 102A after the paragraph of Article 102 with the following:

“102A. A resolution in writing signed by all the Directors except such as are absent from Hong Kong or temporarily unable to act through ill-health or disability (or their alternate Directors) shall (so long as they constitute a quorum as provided in Article 99) be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Notwithstanding the foregoing, in respect of any matter to be considered by the Board in which a Director or substantial shareholder (as defined under the Listing Rules) has a conflict of interest and which the Board has determined to be material, the matter shall be dealt with by resolution of the Board passed at a meeting of the Board and not by resolution in writing signed by the Directors.”

(xxxii) By deleting the existing Article 111 in its entirety and substituting with the following.

“111. (A) (i) The Board shall provide for the custody of every Seal. Seal shall only be used by the authority of the Board or of a committee of the board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by any two Directors or one Director and the Secretary, or such other person or persons as the board may from time to time by resolution appoint for the purpose, and any instrument to which an official seal is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any person. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given.

(ii) Notwithstanding Article 111. (A), the Company may execute a document as a deed in any other manner as may be permitted by law.

(B) The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by Section 73A126 of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been

sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Ordinance where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they may impose such restrictions on the use thereof in accordance with the Ordinance and as may otherwise be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.”

(xxxiii) By deleting the existing Article 124 in its entirety and substituting with the following:

“124. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other.”

(xxxiv) By deleting the following words in the first line of the existing Article 9 “the unissued” and replaced by “the unpaid” after the words “Subject to the provisions of the Ordinance and these Articles,”.

(xxxv) By deleting the existing Article 119. (A)(i)(d) in its entirety and substituting with the following:

“(d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of any of the Company’s reserve accounts or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or”

(xxxvi) By deleting the following words in the eighth line of the existing Article 119. (A)(ii)(d) “(including share premium account and capital redemption reserve fund)” after the words “the Company’s reserve accounts”.

(xxxvii) By deleting the existing Article 132 in its entirety and substituting with the following:

“132. Any such notice or other document sent by post, shall be deemed to have been served or delivered 24 hours after the time when it was put in the post (airmail if posted from Hong Kong to an address in or outside Hong Kong), and in proving such service, received or delivery it on the second business day (as defined in Part 18 of the Ordinance) shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post and a certificate in writing signed by the Secretary or other officer of the Company that the envelop containing the notice was so addressed and put in the post shall be conclusive evidence thereof. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left. Any notice as provided herein shall be sent to such member’s address as shown in the Company’s register of members. A member ceases to be entitled to receive notices from the Company if the Company sends two consecutive documents to the member over a period of at least twelve months and each of those documents is returned undelivered, or the Company receives notification that it has not been delivered. A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive those notices again by sending the Company an address to be recorded in the register of members or if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively as may be prescribed by the Listing Rules or any applicable laws or regulations. Any notice or other document served by advertisement shall be deemed to have been served on the day of issue of the newspapers in which the advertisement is published.”

(xxxviii) By adding the following new Article 137 after the Article 136 with the following:

“ **CONFLICT WITH COMPANIES ORDINANCE**

137. (A) Notwithstanding anything contained in these Articles, if the Companies Ordinance prohibit an act being done, the act shall not be done.

(B) Nothing contained in these Articles prevents an act being done that the Companies Ordinance requires to be done.

(C) If any provision of these Articles is or becomes inconsistent with any provision of the Companies Ordinance, these Articles are deemed not to contain that provision to the extent of the inconsistency and to the extent it does not breach any provision of the Companies Ordinance.”

(xxxix) By deleting the existing information on the names, addresses and descriptions of subscribers at the end of the existing Article in its entirety and substituting with the following:

“WE, the several persons, whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a Company, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Name(s), Address(es) and Description(s) of Subscriber(s)	Number of Share(s) taken by each subscriber
<p>(Sd.) H. W. LEE H. W. LEE 74, Kennedy Road, Hong Kong. Banker</p> <p>(Sd.) J. S. LEE J. S. LEE 74, Kennedy Road, Hong Kong Merchant</p>	<p>One</p> <p>One</p>
<p>Total Number of Share(s) Taken</p>	<p>Two</p>

Dated the 8th day of June, 1955.

WITNESS to the above signatures:

(sd.) J. T. PRIOR,
Solicitor,
Hong Kong.”



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 295)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Kong Sun Holdings Limited (the “Company”) will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 21 May 2014 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following resolutions:

ORDINARY RESOLUTIONS

1. to receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Director(s)”) and the auditors for the year ended 31 December 2013;
- 2A. to re-elect the following retiring Directors:
 - (i) Mr. Chang Hoi Nam, as an executive Director;
 - (ii) Mr. Liu Wen Ping, as an executive Director;
 - (iii) Mr. Man Kwok Leung, as an independent non-executive Director; and
 - (iv) Dr. Wong Yun Kuen as an independent non-executive Director;
- 2B. to authorise the board of Directors to fix the remuneration of the Directors;
3. to re-appoint Messrs. SHINEWING (HK) CPA Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration;
4. **“THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares 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 22 July 2009 (the “Share Option Scheme”), representing 10% of the issued share capital of the Company as at the date on which this Resolution is passed, pursuant to the Share Option Scheme:
 - (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (the “Refreshed Scheme Mandate”) provided that the total number of Shares which may be allotted and issued upon the exercise of

NOTICE OF ANNUAL GENERAL MEETING

all options to be granted under the Share Option Scheme and any other share option schemes of the Company and its subsidiaries (collectively, the “Group”) under the Refreshed Scheme Mandate shall not exceed 10% 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 and any other share option schemes of the Group (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); and

- (b) the Directors be and are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for Shares within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

5A. “**THAT**

- (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with the additional shares in the share capital of the Company and to make or grant offers, agreements and options, including bonds, warrants, notes, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including bonds, warrants, notes, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the number of shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any existing warrants, bonds, debentures, notes and other securities of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the exercise of option granted under any share option scheme or any similar arrangement for the time being adopted for the grant or issue to officers and/or employees and/or other eligible persons of the Company and/or any of subsidiaries of shares or rights to acquire shares of the Company;
- (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company in force from time to time;
- (v) the exercise of any conversion rights attaching to any convertible notes issued or to be issued by the Company; and
- (vi) a specified authority granted by the shareholders of the Company in general meeting;

shall not exceed 20% of the number of the Shares in issue of the Company in issue on the date of passing this resolution; and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (e) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earlier 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 of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares in the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Directors to holders of the shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to

NOTICE OF ANNUAL GENERAL MEETING

any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, any territories applicable to the Company).”

5B. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Director during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase the shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchanges on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with the applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchanges as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of the Shares of the Company which the Company is authorised to purchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the number of the Shares of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earlier 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 of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of shareholders of the Company in general meeting.”

- 5C. “**THAT** subject to the passing of the above resolutions 5A and 5B, the number of Shares which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in resolution 5B shall be added to the number of the Shares that may be allotted or agreed to be allotted by the Directors pursuant to resolution 5A.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

6. To, as special business, consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the new articles of association of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all the existing memorandum and articles of association of the Company with immediate effect.”

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

Hong Kong, 15 April 2014

Notes:

1. Every member of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy (if a member who is holder of two or more shares) to attend and vote for him/her on his/her behalf of the meeting. A proxy need not be a member of the Company but must attend the Meeting in person to represent you.
2. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the annual general meeting or any adjourned meeting thereof.
4. As at the date of this circular, the board of Directors comprises three executive Directors, Mr. Yu Pak Yan, Peter, Mr. Chang Hoi Nam and Mr. Liu Wen Ping; and three independent non-executive Directors, Mr. Lau Man Tak, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.