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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) SUBSCRIPTION OF NEW SHARES (2) APPLICATION FOR WHITEWASH WAIVER AND (3) RESUMPTION OF TRADING

THE SUBSCRIPTION

On 28 May 2014, the Company and the Investor entered into the Agreement pursuant to which the Company has conditionally agreed to allot and issue and the Investor has conditionally agreed to subscribe or procure the subscription in cash for 6,528,080,000 new Shares at HK\$0.36 per Share.

The allotment and issue of the Subscription Shares will be subject to a specific mandate and the Whitewash Waiver to be approved by the Independent Shareholders at the EGM.

WHITEWASH WAIVER

Immediately after Completion, the Concert Group will be interested in 6,528,080,000 Shares, representing approximately 370.35% of the existing issued share capital of the Company and approximately 78.74% of the enlarged issued share capital of the Company (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of the Agreement and up to Completion). Under Rule 26.1 of the Takeovers Code, the Concert Group would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it, unless the Whitewash Waiver is obtained from the Executive. The Concert Group will make an application to the Executive for the Whitewash Waiver in respect of the Subscription. The Whitewash Waiver will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of poll.

None of the members of the Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of this announcement, and are interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

GENERAL

The Independent Board Committee will be formed to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. An independent financial adviser will be appointed subject to the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the Subscription and the Whitewash Waiver and an announcement will be made upon its appointment.

A circular containing, among other things, details of the Subscription and the Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver, and the notice of the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

The voting in relation to the Subscription and the Whitewash Waiver at the EGM will be conducted by way of a poll whereby (1) the Concert Group and its associates, and (2) other Shareholders who are interested or involved in the Subscription and the Whitewash Waiver will abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the Subscription and the Whitewash Waiver.

The Subscription is subject to the satisfaction of the conditions precedent to the Agreement, including the approval of the Subscription and the Whitewash Waiver by the Independent Shareholders at the EGM and the grant of the Whitewash Waiver by the Executive. Accordingly, the Subscription may or may not proceed to Completion. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and actions that they should take.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been halted from 9:00 a.m. on 29 May 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 11 June 2014.

Reference is made to the announcements of the Company dated 30 March 2014 and 1 April 2014.

THE SUBSCRIPTION

The Agreement

Date

28 May 2014

Parties

- (1) the Company; and
- (2) the Investor.

The Investor is independent of the Company and its connected persons.

The Subject Matter

The Company has conditionally agreed to allot and issue and the Investor has conditionally agreed to subscribe or procure the subscription by the Consultants as directed by the Investor at total consideration of HK\$2,350,108,000 in cash, payable at Completion, for 6,528,080,000 new Shares at HK\$0.36 per Share.

The Subscription Shares

As at the date of this announcement, the Company has 1,762,662,519 Shares in issue. The Subscription Shares represent approximately 370.35% of the existing issued share capital of the Company and approximately 78.74% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of the Agreement and up to Completion).

The Subscription Shares, when issued and fully-paid, will rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

The Subscription Shares have a nominal value of HK\$65,280,800 and a market value of approximately HK\$5,810 million based on the closing price of the Shares of HK\$0.89 on 28 May 2014. The net price of the Subscription Shares is HK\$0.358 per Share.

The Subscription Price

On 29 March 2014, the Investor and the Company entered into the Memorandum. The key terms of the Memorandum were set out in the announcement of the Company dated 30 March 2014. The Subscription Price was determined after arm's length negotiations with reference to the prevailing market prices of the Shares as at the date of the signing of the Memorandum.

The Subscription Price represents:

- (a) a discount of approximately 1.37% to the closing price of the Shares of HK\$0.365 per Share as quoted on the Stock Exchange on 28 March 2014, the last trading day prior to the date of the Memorandum;
- (b) a discount of approximately 59.55% to the closing price of the Shares of HK\$0.89 per Share as quoted on the Stock Exchange on 28 May 2014, the date of the Agreement;
- (c) a discount of approximately 59.18% to the average closing prices of the Shares as quoted on the Stock Exchange for the last 5 trading days up to and including 28 May 2014 of HK\$0.882 per Share; and
- (d) a discount of approximately 58.86% to the average closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including 28 May 2014 of HK\$0.875 per Share.

The Subscription Price was agreed by the parties under the Memorandum. The Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) consider that the terms of the Agreement are fair and reasonable and on normal commercial terms and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

Conditions

Completion is conditional upon:

- (a) the passing by the Shareholders (other than those prohibited from voting under the Listing Rules and/or the Takeovers Code, if applicable) of all necessary resolutions at the EGM approving:
 - (i) the Agreement and the transactions contemplated thereunder including (but not limited to) the issue of the Subscription Shares in accordance with the terms of the Agreement; and
 - (ii) the grant of a waiver in respect of the obligation of the Investor and the parties acting in concert with it (if any) to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired or subscribed by the Investor or any parties acting in concert with it (if any) as a result of the issue of the Subscription Shares in accordance with Note 1 on dispensation from Rule 26 of the Takeovers Code;
- (b) the Executive granting to the Investor and parties acting in concert with it (if any) a waiver of the obligation to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired or subscribed by the Investor or any parties acting in concert with it (if any) as a result of the issue of the Subscription Shares, and such waiver not having been revoked or withdrawn;

- (c) the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares (and such permission and listing not subsequently being revoked prior to the delivery of the definitive certificate(s) with respect to the Subscription Shares);
- (d) all other requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Agreement having been obtained by the Company;
- (e) the current listing of the Shares not having been withdrawn and the Shares continuing to be traded on the Stock Exchange (save for any temporary suspension of not more than 14 consecutive business days (as defined in the Listing Rules) or any suspension pending clearance of any announcement in connection with the execution of the Agreement or the transactions contemplated thereunder); and no indication having been received on or before the date of Completion from the Stock Exchange or the SFC to the effect that the listing of the Shares may be withdrawn or objected to for any reason having arisen which may adversely affect the listing status of the Company on the Stock Exchange;
- (f) the Investor being reasonably satisfied that there has been no material adverse change to the financial position and operation of the Company since the date of the Agreement;
- (g) as at the date of Completion:
 - (i) the warranties under the Agreement remaining accurate and correct in all material respects at, and as if made on, such date;
 - (ii) the Company having performed all of its obligations under the Agreement expressed to be performed on or before such date in all material respects; and
 - (iii) there shall have been delivered to the Investor a certificate (in the form reasonably satisfactory to the Investor), dated as of the Completion, of a duly authorised officer of the Company to such effect; and
- (h) the Investor, being satisfied (in its sole discretion acting reasonably) with the results of such enquiries, investigations and due diligence review of the business, affairs, operations and financial position and projections of the Group carried out by the Investor or any of its officers, employees, agents, professional advisers or other persons authorised by the Investor as the Investor in its discretion deems necessary, desirable or appropriate to undertake and issuing to the Company a notice in writing to such effect.

The Investor may in its absolute discretion waive conditions (d), (f), (g) and (h) at any time by notice in writing to the Company. If the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders at the EGM, the Subscription will not proceed.

In the event that the conditions to the Agreement are not fulfilled or waived by the Investor pursuant to the terms of the Agreement (as the case may be), by the Long Stop Date, the parties will not be bound to proceed with the issue and subscription of the Subscription Shares, and the Agreement will be automatically terminated and cease to be of any effect, save in respect of claims arising out of any antecedent breach of the Agreement.

Completion

Completion will take place on the third Business Day following the fulfilment of the conditions to the Agreement or waiver thereof (as the case may be). At Completion, the Company will allot and issue 5,835,820,000 new Shares to the Investor and 692,260,000 new Shares to the Consultants, as directed by the Investor. The Consultants will pay the Subscription Price for their Shares.

REASON FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is principally engaged in properties investment, manufacturing and sale of life-like plants and securities investment.

As stated in the 2013 annual report of the Company, the Company is looking for new investments and business opportunities. On 29 March 2014, the Company and the Investor entered into the Memorandum to establish a funding source for such purposes.

The Company entered into a memorandum of understanding on 22 April 2014 in connection with the acquisition of the development rights to a 30 mega-watts photovoltaic power station in Gansu Province.

On 29 April 2014, the Company entered into a cooperation agreement and an intermediary agreement on the proposed acquisition of a 50 mega-watts photovoltaic power station in Lincheng County, Hebei Province.

On 30 April 2014, the Company acquired the entire equity interests in a project company engaging in the development of a 10 mega-watts photovoltaic power station in Inner Mongolia. On the same day, the Company entered into a memorandum of understanding for the joint development of photovoltaic power stations in Anhui and Yunnan provinces with an aggregate capacity of 261 mega-watts.

Photovoltaic power generation is environmentally friendly and is a sector encouraged by the central government of the PRC. To this end, the Company seeks to raise funds by way of the Subscription to finance the acquisitions and development of the photovoltaic power projects of the Group.

The Directors have considered other means of fund raising such as rights issue. However, given the recent trading prices of the Shares and the funding needs of the Group, it would be difficult to identify any underwriter to fully underwrite the rights issue as required under the Listing Rules. The Directors have also considered debt financing but it would be difficult for any financial institutions to extend such amount of facility to the Company at affordable terms due to increasing borrowing cost among financial institutions.

Given the above reasons, the Company is of the view that equity financing is the most imminent priority of the Company and a placement under a specific mandate is the most viable option for the Company. The Subscription by the Investor provides a good opportunity for the Company to raise long-term equity fund to finance its investment in photovoltaic power projects. In addition, the Directors are confident that the Investor will bring in additional resources and investment opportunities to the Company that are beneficial to the Company and the Shareholders as a whole.

Having taken into account all the aforementioned factors, the Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) considered it is in the interest of the Company and the Shareholders as a whole to proceed with the Subscription.

As the Subscription is subject to Independent Shareholders' approval, the Independent Shareholders can make its own decision in voting on the relevant resolutions in respect of the Subscription after considering the advice from the Independent Board Committee which will be advised by an independent financial adviser.

The net proceeds from the Subscription, after deduction of all related expenses, of approximately HK\$2,338.1 million, are intended to be applied (i) to finance the acquisition and development of photovoltaic power projects of the Group and (ii) as general working capital of the Group.

BACKGROUND OF THE INVESTOR AND THE CONSULTANTS

The Investor is a private equity fund established in the Cayman Islands for leverage buyout and growth capital transaction focusing on investments in the environmental protection, clean energy, consumer retailing, healthcare and technological development sectors. As at the date of this announcement, the Investor has assets under its management of approximately US\$600 million.

Investors in such investment fund are limited partners. The general partner of the Investor is Pohua JT Capital Partners Limited and it controls the investment decisions of the Investor.

The Consultants are five individuals who are experienced in the development of photovoltaic power projects.

Each of the Consultants is independent of and not connected with the Company. One of the partners in the Investor knows Mr. Xiang Jun, one of the Consultants, and introduced Mr. Xiang to the Investor. Mr. Xiang is an expert in photovoltaic and wind power generation. With one of the investment focuses of the Investor being the new energy sector,

representatives of the Investor reached out to Mr. Xiang for his view regarding the power generation industry in the PRC. After the signing of the Memorandum, the Investor introduced Mr. Xiang to the Company and Mr. Xiang introduced the other four Consultants, who are his current and former colleagues, to the Company.

The Consultants are concert parties of the Investor. None of the Consultants is a director or close relative of any of the directors of the Investor or any parent company of the Investor; none of the Consultants has funds managed by the Investor on a discretionary basis; none of the Investor or persons controlling or controlled by or under the same control as the Investor acts as financial or other professional adviser to any of the Consultants; none of the Consultants is a partner with the Investor; and the Investor has not provided any finance or financial assistance directly or indirectly to any of the Consultants in connection with the acquisition of the Subscription Shares by the Consultants.

The Investor believes that the Company would benefit from the Consultants' experience and connections in the photovoltaic power sector for its investment in the sector and has raised with the Consultants and the Company the proposal for the Consultants to invest in the Company. The experience of the Consultants is set out below:

Mr. CHANG Donglai (常東來) has extensive experience in conducting technical reviews and technical training work, including wind and solar hybrid systems and generation systems and large photovoltaic power plant systems. He has participated in the technical works relating to the IEC international standards TC82 and IEC Task27.

Mr. LUO Tiegeng (羅鐵庚) has more than 20 years of experience in research and the management of technical support and project design work. He has been involved in the development of several photovoltaic power stations in the PRC.

Mr. LU Bin (鹿斌) has management experience in new energy projects in the PRC.

Mr. DENG Chengli (鄧成立) is experienced in the financing for new energy projects.

Mr. XIANG Jun (向軍) is experienced in the management of companies in the new energy sector.

At Completion, the Investor will direct the Company to issue 692,260,000 Shares out of the Subscription Shares to the Consultants directly and the number of Shares to be allotted to each of the Consultants has been specified in the Agreement. The Consultants will pay the Subscription Price for their Shares. As the Consultants will be taking up their Shares at the same time as the Investor, the allotment price was fixed as the same as the Subscription Price, which was agreed by the Investor and the Company under the Memorandum with reference to the then prevailing market price of the Shares. The Company intends to appoint the Consultants as honorary consultants upon Completion.

In order to demonstrate that the Investor and the Consultants are committed to the Company after Completion, each of the Investor and the Consultants has agreed with the Company that it/he will not sell, offer to sell, transfer, grant any encumbrances over, grant any option to purchase or otherwise dispose of, either directly or indirectly, conditionally or unconditionally, any of the Subscription Shares during the period commencing from the date of Completion and ending on the first anniversary of the date of Completion.

The Investor will appoint two Directors to the Board as soon as permissible under the Takeovers Code, and intends to review the composition of the Board thereafter.

Any changes to the Board will be announced or proposed to Shareholders for approval, if necessary. Details of the professional qualifications and experience of each of the prospective Directors will be included in the relevant announcement and/or circular of the Company, as appropriate.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately after Completion, the Concert Group will be interested in 6,528,080,000 Shares, representing approximately 78.74% of the enlarged issued share capital of the Company (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of the Agreement and up to Completion). The following table illustrates the shareholding structure of the Company as at the date of this announcement and upon Completion (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of the Agreement and up to Completion).

	As at the date of this announcement		Upon Completion	
	Number of Shares	%	Number of Shares	%
The Investor and its concert parties (other than the Consultants)	—	—	5,835,820,000	70.39
<i>Public shareholders</i>				
The Consultants and their respective concert parties (other than the Investor) (Note 1)				
— CHANG Donglai	—	—	4,790,000	0.06
— LUO Tiegang	—	—	3,190,000	0.04
— LU Bin	—	—	5,070,000	0.06
— DENG Chengli	—	—	3,190,000	0.04
— XIANG Jun	—	—	676,020,000	8.15
Other Shareholders (Note 2)	<u>1,762,662,519</u>	<u>100%</u>	<u>1,762,662,519</u>	<u>21.26</u>
	<u>1,762,662,519</u>	<u>100%</u>	<u>8,290,742,519</u>	<u>100%</u>

Notes:

1. The number of Shares to be issued to each of the Consultants is specified in the Agreement.
2. As at the date of this announcement, the Company has no shareholder which is interested in 5% or more of the issued share capital or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. As at the date of this announcement, none of the Directors is interested in any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

FUND RAISING EXERCISE FOR THE PAST 12 MONTHS

On 6 September 2013, the Company and Kingston Securities Limited entered into a placing agreement pursuant to which Kingston Securities Limited has placed 293,700,000 new Shares to not less than six placees at the placing price of HK\$0.086 per Share, raising net proceeds of HK\$24.36 million which the Company intends to use for future investments.

Save for the placing, the Company has not undertaken any other equity fund raising exercise in the 12 months immediately preceding the date of this announcement.

WHITEWASH WAIVER

Immediately after Completion, the Concert Group will be interested in 6,528,080,000 Shares, representing approximately 370.35% of the existing issued share capital of the Company and approximately 78.74% of the enlarged issued share capital of the Company (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of the Agreement and up to Completion). Under Rule 26.1 of the Takeovers Code, the Concert Group would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it, unless the Whitewash Waiver is obtained from the Executive. The Concert Group will make an application to the Executive for the Whitewash Waiver in respect of the Subscription. The Whitewash Waiver will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of poll.

If the Whitewash Waiver is approved by the Independent Shareholders, the shareholding of the Concert Group in the Company will exceed 50%. The Concert Group may further increase its shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

None of the members of the Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months period prior to the date of this announcement, and are interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

The Company does not have any outstanding derivatives in respect of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement. As at the date of this announcement, save for the Subscription, (i) the Concert Group does not hold, control or have direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; (ii) the Concert Group did not borrow or lend any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; (iii) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or of the Investor which might be material to the Subscription and the Whitewash Waiver; (iv) there is no agreement or arrangement to which any member of the Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition

or a condition to the Subscription and the Whitewash Waiver; and (v) none of the members of the Concert Group has received any irrevocable commitment to vote for or against the Subscription or the Whitewash Waiver.

GENERAL

The Independent Board Committee will be formed to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. An independent financial adviser will be appointed subject to the approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the Subscription and the Whitewash Waiver and an announcement will be made upon its appointment.

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the execution, delivery and performance of the Agreement; (ii) the allotment and issue of the Subscription Shares in accordance with the Agreement; and (iii) the Whitewash Waiver. The voting in relation to the Subscription and the Whitewash Waiver at the EGM will be conducted by way of a poll whereby (1) the Concert Group and its associates, and (2) other Shareholders who are interested or involved in the Subscription and the Whitewash Waiver will abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the Subscription and the Whitewash Waiver. The Concert Group does not currently hold any Shares and accordingly will not vote on any of the resolutions at the EGM.

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

A circular containing, among other things, details of the Subscription and the Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver, and the notice of EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been halted from 9:00 a.m. on 29 May 2014 pending the issue of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 11 June 2014.

Warning: The Subscription is subject to the satisfaction of the conditions precedent to the Agreement, including the approval of the Subscription and the Whitewash Waiver by the Independent Shareholders at the EGM and the grant of the Whitewash Waiver by the Executive. Accordingly, the Subscription may or may not proceed to Completion. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and actions that they should take.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code;
“Agreement”	the agreement dated 28 May 2014 between the Company and the Investor;
“associate”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business in Hong Kong;
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Subscription;
“Concert Group”	the Investor and the Consultants and their respective parties acting in concert with any of them;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consultants”	Mr. CHANG Donglai (常東來), Mr. LUO Tiegeng (羅鐵庚), Mr. LU Bin (鹿斌), Mr. DENG Chengli (鄧成立) and Mr. XIANG Jun (向軍);
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held to approve, among other things, the Subscription and the Whitewash Waiver;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent board committee, comprising all the independent non-executive Directors;

“Independent Shareholders”	Shareholders other than (1) the Concert Group and its associates, and (2) Shareholders who are interested or involved in the Subscription and the Whitewash Waiver;
“Investor”	Pohua JT Private Equity Fund L.P., a private equity investment fund established in the Cayman Islands;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	28 November 2014;
“Memorandum”	the memorandum of understanding dated 29 March 2014 between the Company and the Investor;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Shares”	ordinary shares of HK\$0.01 each of the Company;
“Shareholders”	holders of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the proposed subscription for the Subscription Shares by the Investor pursuant to the Agreement;
“Subscription Price”	HK\$0.36 per Subscription Share;
“Subscription Shares”	6,528,080,000 new Shares to be issued by the Company;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Whitewash Waiver”	whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Concert Group to make a mandatory general offer to the Shareholders in respect of the Shares not already owned (or agreed to be acquired) or subscribed by the Concert Group as a result of the issue of the Subscription Shares; and
“%”	percent.

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

Hong Kong, 10 June 2014

As of the date of this announcement, the Board comprises three executive directors, Mr. Yu Pak Yan, Peter, Mr. Chang Hoi Nam and Mr. Liu Wen Ping and two independent non-executive directors, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.

All the directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement (except for the information set forth under the section headed “BACKGROUND OF INVESTOR AND THE CONSULTANTS”) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by the Investor) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As of the date of this announcement, the general partner of the Investor is Pohua JT Capital Partners Limited and the directors of Pohua JT Capital Partners Limited are Mr. Li Haifeng, Mr. Liu Jinsong and Ms. Zhong Yueyang.

Pohua JT Capital Partners Limited and all the directors of Pohua JT Capital Partners Limited jointly and severally accept full responsibility for the accuracy of the information set forth under the section headed “BACKGROUND OF INVESTOR AND THE CONSULTANTS” and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the Investor in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.