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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)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agents



PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 28 April 2015, the Company entered into the Agreement with the Placing Agents in relation to the Placing of the Placing Shares. Pursuant to the Agreement, the Company has agreed to place, through the Placing Agents, on a best effort basis, up to 1,170,000,000 new Shares to not less than six independent places at the Placing Price of HK\$1.20 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares represent (i) approximately 13.54% of the existing issued share capital of the Company, and (ii) approximately 11.92% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

SPECIFIC MANDATE

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM.

EGM

The EGM will be convened and held on 5 June 2015 for the purpose of considering and, if thought fit, approving the Placing contemplated under the Agreement and the proposed grant of the Specific Mandate.

CIRCULAR

A circular containing, among other matters, further details of the Agreement, the proposed grant of the Specific Mandate together with a notice convening the EGM to consider and, if thought fit, to approve the Placing contemplated under the Agreement and the proposed grant of the Specific Mandate will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules, which is currently expected to be on or before 18 May 2015.

Shareholders and potential investors should note that the Placing is subject to the fulfillment of the conditions under the Agreement. As the Placing may or may not proceed to completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

The Agreement

Date: 28 April 2015

Parties

Issuer: the Company

Placing Agents: CICC;
First Shanghai;
Kingston; and
UOB Kay Hian.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agents are third parties independent of the Company and its connected persons.

As at the date of this announcement, Kingston holds one Share.

Placing Shares

The Placing Agents have conditionally agreed with the Company to place, on a best effort basis, to not fewer than six independent individuals, corporate and/or institutional places up to 1,170,000,000 new Shares of the Company. It is not expected that any Placing Agents or any places will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the Placing Shares represent (i) approximately 13.54% of the existing issued share capital of the Company, and (ii) approximately 11.92% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. Based on the closing price of the Shares of HK\$1.69 per Share on 28 April 2015, the date of the Agreement, the Placing Shares have a market value of HK\$1,977.3 million.

The Placing Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$1.20 represents:

- (i) a discount of approximately 28.99% to the closing price of HK\$1.69 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 23.47% to the average closing price of HK\$1.568 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 23.08% to the average closing price of HK\$1.560 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agents and was determined with the current trading price of the Shares.

The Directors consider that the Placing Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole under the current market conditions.

Placing commissions

The Placing Agents will receive a placing commission of 2.8% on the aggregate Placing Price of the number of Placing Shares actually placed by the Placing Agents in the Placing.

The placing commission was determined after arm's length negotiation between the Company and the Placing Agents with reference to the market rate and after taking into account the size of the Placing and the time allowed for the Placing Agents to procure the prospective placees.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (a) there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Agreement;
- (b) the listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);
- (c) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing);
- (d) the approval by the Shareholders at the EGM of the Agreement and the allotment and issue of the Placing Shares in accordance with the terms and conditions of the Agreement; and
- (e) the Agreement not being rescinded by the Placing Agents pursuant to the terms of the Agreement.

In the event that the condition to the Placing is not fulfilled on or before 30 June 2015 (or such later date as may be agreed between the Company and the Placing Agents), the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing.

Application for listing

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

Rescission

The Agreement may be rescinded by the Placing Agents at any time prior to the completion of the Placing:

- (a) if there has come to the notice of the Placing Agents:–
 - (i) that any statement contained in this announcement was, when it was issued, or has become, untrue, incorrect or misleading in any respect; or
 - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute an omission therefrom; or
 - (iii) any breach of the undertakings, warranties and representations set out in the Agreement; or
 - (iv) any material breach of any of the obligations imposed upon any party to the Agreement (other than the Placing Agents); or
 - (v) any of the undertakings, warranties and representations set out in the Agreement would be untrue or inaccurate or misleading in any respect if given at that time; or
 - (vi) any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or

- (b) if there develops, occurs, or comes into effect:
- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agents would prejudice the success of the Placing; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the sole and absolute opinion of the Placing Agents, would prejudice the success of the Placing; or
 - (iii) any change in conditions of local, national or international securities markets occurs which in the sole and absolute opinion of the Placing Agents would prejudice the success of the Placing; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC and if in the sole and absolute opinion of the Placing Agents any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC which would, in the sole and absolute opinion of the Placing Agents, prejudice the success of the Placing; or
 - (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agents would materially prejudice the success of the Placing.

The Board is not aware of the occurrence of any of the aforesaid events as at the date of this announcement.

Completion of the Placing

Completion of the Placing is expected to take place on the fourth Business Day after the fulfillment of the conditions set out in the Agreement (or such other time or date as the Company and the Placing Agents may agree in writing).

SPECIFIC MANDATE

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE PLACING

Set out below is the table of the shareholdings in the Company before and after completion of the Placing:

Shareholders	Shareholding as at the date of this announcement		Shareholding upon completion of the Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Pohua JT Private Equity Fund				
L.P. and its associates	5,835,820,000	67.52	5,835,820,000	59.47
Places	–	–	1,170,000,000	11.92
Public shareholders	<u>2,806,922,519</u>	<u>32.48</u>	<u>2,806,922,519</u>	<u>28.61</u>
Total	<u>8,642,742,519</u>	<u>100.00</u>	<u>9,812,742,519</u>	<u>100.00</u>

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

On 28 May 2014, the Company entered into a subscription agreement with Pohua JT Private Equity Fund L.P. pursuant to which Pohua JT Private Equity Fund L.P. agreed to subscribe in cash for 6,528,080,000 new Shares. The subscription was completed on 8 August 2014 and raised funds of approximately HK\$2,338.1 million (equivalent to approximately RMB1,864.3 million) which was used to finance the acquisition and development of photovoltaic power plants and as general working capital of the Group. As at the date of this announcement, the Group had utilised RMB604.5 million of the net proceeds and the unutilised portion of the net proceeds is currently held in cash and cash equivalents and intended that it will be applied in the manner consistent with the proposed allocations as stipulated in the subscription agreement.

On 23 March 2015, the Company entered into a placing agreement with Kingston, Haitong International Securities Company Limited and UOB Kay Hian as the placing agents in relation to the placing of 352,000,000 new Shares to not less than six places at the placing price of HK\$1.07 per placing share. The placing was completed on 10 April 2015 and raised funds of, after deducting the related placing commission, professional fees and all related expenses, approximately HK\$366.1 million, out of which, approximately HK\$329.5 million will be used in the investment in and acquisition of photovoltaic power plants, and the remaining HK\$36.6 million will be used by the Company as general working capital. As at the date of this announcement, the Group had not utilised any of the net proceeds and the unutilised portion of the net proceeds is currently held in cash and cash equivalents and intended that it will be applied in the manner consistent with the proposed allocations as stipulated in the placing agreement.

Save as disclosed above, the Company has not carried out any other capital raising activities during the 12 months immediately preceding the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is principally engaged in properties investment, manufacturing and sale of life-like plants, securities investment and investment in and operation of photovoltaic power plants in the PRC. The Company has, since late April 2014, entered into a number of memoranda of understanding and agreements for the development of photovoltaic power plants in Gansu, Hebei, Inner Mongolia, Anhui, Yunnan and Xinjiang provinces of the PRC.

The Placing is being carried out for the Company to raise funds for investment in and acquisition of photovoltaic power plants, and as general working capital.

On the assumption that the maximum of 1,170,000,000 Placing Shares are successfully placed, the net price per Placing Share is expected to be approximately HK\$1.166 and the net proceeds from the Placing is expected to be approximately HK\$1,364.7 million. It is expected that approximately HK\$1,228.2 million from the net proceeds will be used in the investment in and acquisition of photovoltaic power plants, and the remaining HK\$136.5 million from the net proceeds will be used by the Company as general working capital.

Shareholders and potential investors should note that the Placing is subject to the fulfillment of the conditions under the Agreement. As the Placing may or may not proceed to completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

EGM

The EGM will be convened and held on 5 June 2015 for the purpose of considering and, if thought fit, approving the Placing contemplated under the Agreement and the proposed grant of Specific Mandate.

CIRCULAR

A circular containing, among other matters, further details of the Agreement, the proposed grant of the Specific Mandate together with a notice convening the EGM to consider and, if thought fit, to approve the Placing contemplated under the Agreement and the proposed grant of Specific Mandate will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules, which is currently expected to be on or before 18 May 2015.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Agreement”	a conditional placing agreement entered into between the Company and the Placing Agents dated 28 April 2015 in relation to the Placing;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong;
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation to conduct type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of 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;
“connected persons”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	director(s) of the Company from time to time;
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, the grant of the Specific Mandate to cover the allotment and issue of the Placing Shares;
“First Shanghai”	First Shanghai Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Kingston”	Kingston Securities Limited, a corporation licensed to carry out business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Last Trading Day”	28 April 2015, being the last trading day for the Shares before the date of the Agreement;
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Placing”	the placing of Placing Shares pursuant to the terms of the Agreement;
“Placing Agents”	CICC, First Shanghai, Kingston and UOB Kay Hian;
“Placing Price”	HK\$1.20 per Placing Share;
“Placing Shares”	up to 1,170,000,000 Shares to be placed pursuant to the terms of the Agreement;
“PRC”	the People’s Republic of China and for the purpose of this announcement, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary shares of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Specific Mandate”	a specific mandate to allot and issue new Shares to be sought from the Shareholders at the EGM to satisfy the Placing Shares pursuant to the Placing;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UOB Kay Hian”	UOB Kay Hian (Hong Kong) Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and
“%”	per cent.

By Order of the Board
Kong Sun Holdings Limited
Mr. Liu Wen Ping
Chairman

Hong Kong, 28 April 2015

As of the date of this announcement, the Board comprises two executive Directors, Mr. Liu Wen Ping and Mr. Chang Hoi Nam, one non-executive Director, Mr. Chang Tat Joel, and three independent non-executive Directors, Mr. Miu Hon Kit, Mr. Wang Haisheng and Mr. Lu Hongda.