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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)**

### **INSIDE INFORMATION PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS**

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

#### **PROPOSED SUBSCRIPTION**

On 28 April 2015, the Company and the Investor entered into the Memorandum in relation to the Proposed Subscription, under which the Investor proposed to, through a private fund managed by it, subscribe for convertible bonds of the Company with an aggregate amount of RMB400 million (or HK\$500 million equivalent). The Convertible Bonds will be convertible into shares of the Company at HK\$1.58 per Share.

#### **Term and interest rate of the Convertible Bonds**

The maturity date of the Convertible Bonds will be the date falling on the second anniversary of the issue date. The Convertible Bonds will bear interest at the rate of 4.5% per annum.

## **Redemption of the Convertible Bonds**

Unless previously converted, the Company shall redeem all or part of the Convertible Bonds on the date falling on the first anniversary of the issue date of the Convertible Bonds upon a 60 days' written notice at such amount that would provide a 12.5% yield (including any interest previously paid in respect of the amount of the Convertible Bonds to be redeemed) on the principal outstanding amount of the Convertible Bonds.

## **Conditions to the Proposed Subscription**

The conditions to the Proposed Subscription are to be finalized but are expected to include: (a) the Company having complied with the requirements of the Listing Rules in respect of the Proposed Subscription; and (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued upon the exercise of the conversion rights attached to the Convertible Bonds.

## **Legal effect**

The Memorandum is not legally binding, save for the provisions regarding the conversion price of the Convertible Bonds.

The Company and the Investor proposed to negotiate in good faith and execute a definite agreement in respect of the Proposed Subscription as soon as practicable after the execution of the Memorandum.

## **REASON FOR THE PROPOSED SUBSCRIPTION**

The Company is principally engaged in properties investment, manufacturing and sale of life-like plants, securities investment and investment in 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 Company believes that the Proposed Subscription will enable the Company to raise further fund for the development of its photovoltaic power business in the PRC. The Directors are of the view that the Proposed Subscription is in the interest of the Company and its Shareholders as a whole.

**As the terms of the Proposed Subscription are still subject to finalisation, the Proposed Subscription may or may not proceed. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **BACKGROUND OF INVESTOR AND INTEREST IN SHARES**

The Investor is the manager of a private investment fund in the PRC. To the best knowledge of the Directors, having made reasonable enquiry, the Investor and its beneficial owner are independent of and not connected with the Company and its connected persons.

## **DEFINITIONS**

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

“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 person”	has the meaning ascribed to it under the Listing Rules;
“Convertible Bonds”	4.5% convertible bonds due 2017 proposed to be issued by the Company;
“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;
“Investor”	Smart Capital Investment Co., Ltd. (北京新興嘉本投資管理有限公司), a company established in the PRC;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the memorandum of understanding dated 28 April 2015 between the Company and the Investor;
“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;

“Proposed Subscription”	the proposed subscription for convertible securities of the Company by the Investor;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of the Company;
“Shareholders”	holders of issued Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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.*