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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)

DISCLOSEABLE TRANSACTION

The Board is pleased to announce that the Subsidiary, a wholly-owned subsidiary of the Company, has won the bid for the acquisition of the entire equity interest in the Target Company at the aggregate consideration of RMB495 million (equivalent to approximately HK\$618.8 million) through an open bid (listing-for sale) organised by SUAEE. The Subsidiary signed the Equity Transaction Contract on 5 June 2015.

The Acquisition constitutes a discloseable transaction for the Company as one of the applicable percentage ratios of the Acquisition is more than 5% but less than 25% under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Subsidiary has won the bid for the acquisition of the entire equity interest in the Target Company at the aggregate consideration of RMB495 million (equivalent to approximately HK\$618.8 million).

Details of the Acquisition are as follows:

Parties

Purchaser: The Subsidiary, a wholly-owned subsidiary of the Company.

Vendor: Shanghai Aerospace Automobile Electromechanical Co., Ltd.

The transaction was arranged through an open bid (listing-for sale) (公開掛牌) organised by SUAEE.

The Vendor is a company engaged in the manufacture and sale of electromechanical components for aerospace and automobile applications. Its shares are listed on the Shanghai Stock Exchange (stock code: 600151). SUAEE is an exchange platform for the trading of assets and equities.

To the best knowledge of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Vendor and SUAEE is independent of and not connected with the Company and its connected persons.

Subject matter

All of the equity interest and debts of the Target Company.

The Equity Transaction Contract

Following the successful bid for the entire equity interest in the Target Company, the Subsidiary and the Vendor entered into the Equity Transaction Contract in relation to the transfer of the entire equity interest in the Target Company to the Subsidiary.

Consideration and payment terms

The aggregate consideration for the Acquisition is RMB495 million (equivalent to approximately HK\$618.8 million), comprising RMB145 million (equivalent to approximately HK\$181.3 million) as consideration for the acquisition of the entire equity interest in the Target Company, and the assumption of the outstanding debts of the Target Company in the amount of RMB350 million (equivalent to approximately HK\$437.5 million).

The consideration was arrived at after a public bid organized by SUAEE. In deciding the bid price, the Company has taken into account the minimum bid price, the generation capacity and development status of the power project of the Target Company.

Pursuant to the terms of the bid, the consideration will be payable in cash. The Subsidiary has paid a deposit of RMB29 million (equivalent to approximately HK\$36.3 million), which will be applied towards the partial settlement of the consideration. The balance of the consideration in the amount of RMB466 million (equivalent to approximately HK\$582.5 million) will be payable in one lump sum upon the Equity Transaction Contract becoming effective.

The consideration will be funded by internal resources of the Group.

Information on the Target Company

The Target Company is a limited liability company established in the PRC and is principally engaged in the development of a 49.5 mega-watts photovoltaic power plant in Yong Deng County (永登縣) in Lanzhou, Gansu Province, the PRC.

The financial information of the Target Company for the two years immediately preceding the date of the Equity Transaction Contract is as follows:

	For the year ended	
	31 December	
	2013	2014
	(unaudited)	(unaudited)
	RMB	RMB
Net profit before tax	–	70,242
Net profit after tax	–	70,242

The net asset value of the Target Company as at 31 December 2014 was RMB88,078,000.

Reasons for the Acquisition

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, Xinjiang and Yunnan provinces of the PRC. The Acquisition signifies the furtherance of the Group's initiative into the photovoltaic power sector in the PRC and presents a good opportunity for the Group's long-term development.

Given the Acquisition was made through a public bid, the Directors are of the view that the terms of the Acquisition are fair and reasonable and that the Acquisition is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in relation to the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Target Company from the Vendor under the bid (listing-for-sale) process;
“Board”	the board of Directors of the Company;
“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;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar, the legal currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Equity Transaction Contract”	the contract for equity transaction (產權交易合同) in respect of the Acquisition entered into between the Vendor and the Subsidiary;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“RMB”	Renminbi, the legal currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“SUAEE”	上海聯合產權交易所 (Shanghai United Assets and Equity Exchange*);
“Subsidiary”	江山永泰投資控股有限公司 (Kong Sun Yongtai Investment Holdings Co., Ltd.*), a wholly owned subsidiary of the Company established in the PRC;
“Target Company”	蘭州太科光伏電力有限公司 (Lanzhou Taike Photovoltaic Power Co., Ltd.*), a company established in the PRC, a wholly owned subsidiary of the Vendor;
“Vendor”	上海航天汽車機電股份有限公司 (Shanghai Aerospace Automobile Electromechanical Co., Ltd.*), a company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange; and
“%”	per cent.

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

Hong Kong, 5 June 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.

* For identification purposes.