

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 announces that on 15 June 2015, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser pursuant to which the Vendor agreed to sell the Sale Shares, representing all of the shares of Coast Holdings in issue, to the Purchaser for the consideration of HK\$70,000,000. After completion of the Disposal, the Group will not have any interest in Coast Holdings.

The Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

THE AGREEMENT

Date: 15 June 2015

Parties to the Agreement:

(1) Purchaser: Marvel Star Group Limited, a company incorporated in the British Virgin Islands and is principally engaged in investment holding. It is a wholly-owned subsidiary of Far East Holdings International Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange (stock code: 36). To the best knowledge of the Directors, having made all reasonable enquiries, the Purchaser and its beneficial owner are independent of and not connected with the Company or any of its connected persons.

(2) Vendor: Lead Power Investments Limited, a wholly-owned subsidiary of the Company.

The Company and the Purchaser have not entered into any transactions in the past 12 months that would need to be aggregated with the Agreement pursuant to Rule 14.22 of the Listing Rules.

The Disposal

Pursuant to the Agreement, the Vendor has agreed to sell to the Purchaser the Sale Shares, which represent all of the shares of Coast Holdings in issue as at the date of the Agreement.

Consideration

The consideration for the Disposal is HK\$70,000,000, which was determined after arm's length negotiations between the parties with reference to the prevailing market price of offices of similar standard in Central, Hong Kong. The Directors, including the non-executive Directors, are of the view that the terms of the Agreement was concluded after arm's length negotiations under normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The consideration will be payable in cash by the Purchaser to the Vendor in one lump sum at Completion.

Conditions

Completion of the Agreement is conditional upon:

- (a) the Purchaser being satisfied with the results of the business, financial and legal due diligence review to be conducted on Coast Holdings, including but not limited to satisfactory results as to the legal title to the Property;
- (b) the compliance by Far East Holdings International Limited of the applicable requirements of the Listing Rules in relation to the transactions contemplated under the Agreement;
- (c) the compliance by the Company of the applicable requirements of the Listing Rules in relation to the transactions contemplated under the Agreement;

- (d) the Vendor procuring Coast Holdings and delivering to the Purchaser the 2014 audited accounts, and the financial results of Coast Holdings to be set out under the 2014 audited accounts shall be materially consistent with the unaudited financial results as shown in the 2014 management accounts of Coast Holdings;
- (e) the warranties in respect of the Purchaser and the Vendor under the Agreement remaining true and accurate in all material respects.

If the conditions set out in the Agreement are not satisfied or waived by 12 July 2015, or such other date as may be agreed by the parties, the Agreement will terminate and cease to be of any effect save for any antecedent breach.

Completion

Completion of the Disposal shall take place on the fifth business day after the satisfaction of the conditions to the Agreement.

Information on Coast Holdings

Coast Holdings is a company incorporated in Hong Kong and is an investment holding company and its principal activity is the investment in and holding of the Property.

The financial results of Coast Holdings for the two years immediately preceding the date of the transaction are as follows:

	For the year ended 31 December	
	2013	2014
	(audited)	(unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Net (loss)/profit before tax	(918,624)	960,400
Net (loss)/profit after tax	(918,624)	960,400

The net asset value of Coast Holdings as at 31 May 2015 was approximately HK\$26,284,000.

Subject to final audit, it is expected that the Group will realise a gain on disposal of approximately HK\$22,540,000, which is calculated by reference to the carrying value of Coast Holdings as at 31 May 2015 and taking into account the waiving of the advances of the Group to Coast Holdings, as further detailed under the paragraph “Other terms of the Agreement” below. The Directors currently intend to apply the proceeds from the Disposal as general working capital of the Company. After completion of the Disposal, the Group will no longer be interested in any shares of Coast Holdings.

The Property

The Property comprises the 9th Floor of Wings Building, 110-116 Queen’s Road Central and 53-61 Stanley Street, Central, Hong Kong, with a total gross floor area of 3,393 square feet.

Other terms of the Agreement

The Group has advanced in aggregate a net amount of HK\$21,175,802 to Coast Holdings. The net advance was unsecured, interest free and repayable on demand. Pursuant to the Agreement, the Group will waive all the obligations and liabilities of Coast Holdings to repay the net advance.

REASONS FOR THE TRANSACTION

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 Property was previously partially-used by the Company as its office. Since the Company has relocated its office to bigger premises in late 2014, certain portion of the Property has been leased out at a total monthly rent of approximately HK\$85,000. The Directors consider that it is a good opportunity for the Group to dispose the Property so as to realise a profit from the Disposal and release funds which will be used as general working capital of the Group.

As the Disposal is being conducted after arm’s length negotiations based on normal commercial terms, and the Group is expected to make a gain on the Disposal, the Directors, including the independent non-executive Directors, are of the view that the Disposal is fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

GENERAL

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 15 June 2015 between the Vendor and the Purchaser in relation to the sale of the Sale Shares to the Purchaser;
“Board”	the board of directors of the Company;
“Coast Holdings”	Coast Holdings Limited, a company incorporated in Hong Kong and is wholly owned by the Group as at the date of this announcement;
“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 to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the sale of the Sale Shares by the Vendor pursuant to the Agreement;
“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 People’s Republic of China;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	the properties owned by Coast Holdings, the details of which are set out in the paragraph headed “The Property” in this announcement;
“Purchaser”	Marvel Star Group Limited, a company incorporated in the British Virgin Islands;
“Sale Shares”	100,000 shares in Coast Holdings, representing all of the shares of Coast Holdings in issue as at the date of this announcement;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor”	Lead Power Investments Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company.

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

Hong Kong, 15 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.