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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
ACQUISITIONS OF 55% EQUITY INTERESTS IN
SHENZHEN XIONGTAO RONGZI ZULIN CO., LTD.***

THE ACQUISITIONS

The Board is pleased to announce that, on 22 July 2015, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with, among others, the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to dispose of, an aggregate of 55% equity interests of the Target Company at an aggregate consideration of US\$16,500,000 (equivalent to approximately RMB102,465,000) pursuant to the terms of the Equity Transfer Agreements. The consideration will be settled by the Purchaser's capital contribution to the Target Company.

Upon completion of the Acquisitions, the Target Company will be owned as to 55% by the Purchaser, 35% by the First Vendor and the remaining 10% by J.S. Machinery, and the Target Company will become an indirect non-wholly owned subsidiary of the Company and its results will be consolidated with the financial statements of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios as set out in Rule 14.07 of the Listing Rules in respect of the transactions as contemplated under the Cooperation Agreement and the Equity Transfer Agreements is over 5% but below 25%, the transactions as contemplated under the Cooperation Agreement and the Equity Transfer Agreements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 22 July 2015, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with, among others, the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to dispose of, an aggregate of 55% equity interests of the Target Company at an aggregate consideration of US\$16,500,000 (equivalent to approximately RMB102,465,000) pursuant to the terms of the Equity Transfer Agreements. The consideration will be settled by the Purchaser's capital contribution to the Target Company.

THE COOPERATION AGREEMENT

Date

22 July 2015

Parties

- (1) the Purchaser, an indirectly wholly-owned subsidiary of the Company;
- (2) J.S. Machinery;
- (3) the First Vendor;
- (3) the Second Vendor; and
- (4) the Target Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, each of J.S. Machinery, the First Vendor and the Second Vendor is an Independent Third Party.

Subject matter

Pursuant to the Cooperation Agreement, (i) the Purchaser has conditionally agreed to acquire, and each of the First Vendor and the Second Vendor has conditionally agreed to dispose of 30% and 25% equity interests, respectively, representing an aggregate of 55% of the equity interests of the Target Company in an aggregate consideration of US\$16,500,000 (equivalent to approximately RMB102,465,000) pursuant to the terms of the Equity Transfer Agreements; and (ii) J.S. Machinery has conditionally agreed to acquire and the First Vendor has conditionally agreed to dispose of 10% of the equity interests of the Target Company in a consideration of US\$3,000,000 (equivalent to approximately RMB18,630,000). For further details in relation to the equity transfers between the Purchaser and the Vendors, please refer to the paragraph headed "Equity Transfer Agreements" below.

Upon completion of the Acquisitions, the Target Company will be owned as to 55% by the Purchaser, 35% by the First Vendor and the remaining 10% by J.S. Machinery, and the Target Company will become an indirect non-wholly owned subsidiary of the Company and its results will be consolidated with the financial statements of the Group.

Further Capital Contribution

Further, upon completion of the Acquisitions, each of the Purchaser, the First Vendor and J.S. Machinery has agreed to make further capital contribution to the Target Company in the proportion to its equity interests in the Target Company in the amount of US\$28,501,000, US\$18,137,000 and US\$5,182,000, respectively, so that the registered share capital of the Target Company will be increased from US\$30,000,000 to US\$81,820,000.

Board composition of the Target Company

Pursuant to the Cooperation Agreement, upon completion of the Acquisitions, the parties to the Cooperation Agreement will determine the board composition of the Target Company. It is expected that the board of the Target Company will comprise of seven (7) members, and each of the Purchaser, the First Vendor and J.S. Machinery will have the right to nominate four (4), two (2) and one (1) representative(s) to the board of the Target Company, respectively.

EQUITY TRANSFER AGREEMENTS

The First Equity Transfer Agreement

Date

22 July 2015

Parties

- (1) the First Vendor;
- (2) the Purchaser, an indirectly wholly-owned subsidiary of the Company; and
- (3) the Second Vendor.

Subject matter

Pursuant to the First Equity Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the First Vendor has conditionally agreed to dispose of 30% of the equity interests of the Target Company at the consideration of US\$9,000,000 (equivalent to approximately RMB55,890,000). By entering into the First Equity Transfer Agreement, the Second Vendor agreed to waive its pre-emptive rights in relation to the First Acquisition.

Consideration

The consideration for the First Acquisition is US\$9,000,000 (equivalent to approximately RMB55,890,000), which was determined after arm's length negotiations among the Purchaser and the First Vendor with reference to the amount of the initial capital contribution required to be contributed by the Purchaser to the Target Company.

The consideration will be settled by the Purchaser's capital contribution to the Target Company and will be funded by internal resources of the Group upon fulfillment of the conditions to the First Acquisition.

Conditions Precedent

Completion of the First Acquisition is conditional upon the satisfaction (or waiver, where applicable) of the following conditions precedent:

- (a) the Purchaser and the First Vendor having completed all the necessary registration and procedures required for the purpose of completing the transfer of the 30% equity interests in the Target Company to the Purchaser; and
- (b) the register, constitutional documents and filings reflecting the transfer of the 30% equity interests in the Target Company in the name of the Purchaser having been filed with the relevant authority in the PRC.

The Second Equity Transfer Agreement

Date

22 July 2015

Parties

- (1) the Second Vendor;
- (2) the Purchaser, an indirectly wholly-owned subsidiary of the Company; and
- (3) the First Vendor.

Subject matter

Pursuant to the Second Equity Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the Second Vendor has conditionally agreed to dispose of 25% of the equity interests of the Target Company at the consideration of US\$7,500,000 (equivalent to approximately RMB46,575,000). By entering into the Second Equity Transfer Agreement, the First Vendor agreed to waive its pre-emptive rights in relation to the Second Acquisition.

Consideration

The consideration for the Second Acquisition is US\$7,500,000 (equivalent to approximately RMB46,575,000), which was determined after arm's length negotiations among the Purchaser and the Second Vendor with reference to the amount of the initial capital contribution required to be contributed by the Purchaser to the Target Company.

The consideration will be settled by the Purchaser's capital contribution to the Target Company and will be funded by internal resources of the Group upon fulfillment of the conditions to the Second Acquisition.

Conditions Precedent

Completion of the Second Acquisition is conditional upon the satisfaction (or waiver, where applicable) of the following conditions precedent:

- (a) the Purchaser and the Second Vendor having completed all the necessary registration and procedures required for the purpose of completing the transfer of the 25% equity interests in the Target Company to the Purchaser; and

- (b) the register, constitutional documents and filings reflecting the transfer of the 25% equity interests in the Target Company in the name of the Purchaser having been filed with the relevant authority in the PRC.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC on 8 December 2014 and it is principally engaged in the finance lease businesses in the PRC. As at the date of this announcement, the Target Company is owned as to 75% by the First Vendor and 25% by the Second Vendor.

For the year ended 31 December 2014, no profit or revenue was recorded by the Target Company. As at the date of this announcement, the net asset value is nil.

Upon completion of the Acquisitions, the Target Company will be owned as to 55% by the Purchaser, 35% by the First Vendor and the remaining 10% by J.S. Machinery, and the Target Company will become an indirect non-wholly owned subsidiary of the Company and its results will be consolidated with the financial statements of the Group.

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 across the PRC. Given that the Company engages in capital-intensive photovoltaic power projects, it is essential that the Company obtains finance leases to its ongoing investment in such projects. The Board believes that the investment in the Target Company could help the Group to get strong and stable support from financial leasing service, which in turn will enable the Group to speed up its development in photovoltaic power projects.

Based on the foregoing, the Directors (including the independent non-executive Directors) consider that the entering of the Cooperation Agreement, the underlying Equity Transfer Agreements and the transactions contemplated thereunder has been entered into on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the entering into of the Cooperation Agreement, the underlying Equity Transfer Agreements and the transactions contemplated is in the interests of the Company and the Shareholders as a whole.

GENERAL

J.S. Machinery is a company established in the PRC and principally engaged in manufacturing of corrugated board machinery and case makers.

The First Vendor is a company established in the PRC and principally engaged in manufacturing and developing of VRLA Battery.

The Second Vendor is a company established in Hong Kong and principally engaged in investment holding.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios as set out in Rule 14.07 of the Listing Rules in respect of the transactions as contemplated under the Cooperation Agreement and the Equity Transfer Agreements is over 5% but below 25%, the transactions as contemplated under the Cooperation Agreement and the Equity Transfer Agreements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Acquisitions”	the First Acquisition, the Second Acquisition and the acquisition of 10% equity interests in the Target Company by J.S. Machinery;
“Board”	the board of directors of the Company;
“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;
“Cooperation Agreement”	the cooperation agreement dated 22 July 2015 by and among the Purchaser, J.S. Machinery; the First Vendor, the Second Vendor and the Target Company in relation to the cooperation of the development for the Target Company;
“Director(s)”	the director(s) of the Company;

“Equity Transfer Agreements”	the First Equity Transfer Agreement and the Second Equity Transfer Agreement;
“First Acquisition”	the acquisition of 30% equity interests in the Target Company from the First Vendor by the Purchaser;
“First Equity Transfer Agreement”	the equity transfer agreement dated 22 July 2015 by and among the Purchaser and the First Vendor in relation to the First Acquisition;
“First Vendor”	深圳市雄韜電源科技股份有限公司 (Shenzhen Centre Power Tech Co., Ltd.), a company established under the laws of the PRC;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	a person, persons, company or companies which is or are independent of, and not connected with (within the meaning under the Listing Rules), any directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or any of their respective associate(s);
“J.S. Machinery”	湖北京山輕工機械股份有限公司 (J.S. Corrugating Machinery Co., Ltd), a company established under the laws of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	Kong Sun New Energy (Hong Kong) Limited (江山新能源(香港)有限公司), a company established in Hong Kong and an indirectly wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;

“Second Acquisition”	the acquisition of 25% equity interests in the Target Company from the Second Vendor by the Purchaser;
“Second Equity Transfer Agreement”	the equity transfer agreement dated 22 July 2015 by and among the Purchaser and the Second Vendor in relation to the Second Acquisition;
“Second Vendor”	BD Technology Limited, a company established in Hong Kong;
“Shareholder(s)”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	深圳雄韜融資租賃有限公司 (Shenzhen XiongTao RongZi ZuLin Co., Ltd.*), a company established in the PRC;
“Vendors”	the First Vendor and the Second Vendor; and
“%”	per cent.

For illustration purposes, amounts in US\$ in this announcement have been translated into RMB at US\$1.00 = RMB6.21.

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

Hong Kong, 22 July 2015

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

* *For identification purposes*