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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)

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

Reference is made to the announcement of Kong Sun Holdings Limited (the “**Company**”) dated 22 July 2015 in relation to the acquisitions of 55% equity interests in Shenzhen Xiongtao Rongzi Zulin Co., Ltd. (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to clarify that as at the date of entering of the First Equity Transfer Agreement and the Second Equity Transfer Agreement, the Target Company had a registered capital of US\$30 million and the First Vendor and the Second Vendor had the obligations to contribute to the registered capital of the Target Company proportionate to their respective 75% and 25% interests in the Target Company. As at the date of the First Equity Transfer Agreement and the Second Equity Transfer Agreement, none of the registered capital of the Target Company had been paid up. Taking into consideration the commercial benefits that the Acquisitions might bring to the Company, it was then negotiated by and among the parties that the First Vendor would dispose certain percentage of its equity interests in the Target Company and the Second Vendor would dispose all of its equity interests in the Target Company.

* *For identification purposes*

However, given that none of the registered capital had been paid up and that the Target Company has yet to commence any business, it was then agreed by the parties that the consideration payable by the Purchaser for the transfer of equity interests pursuant to the First Equity Transfer Agreement and the Second Equity Transfer Agreement will be settled by way of capital contribution to the Target Company by the Purchaser. As a result of which, the Vendors' obligation to contribute to the registered capital of the Target Company proportionate to the 55% equity interests will be borne by the Purchaser and the Vendors are then discharged of such obligations thereafter. Accordingly, no cash consideration will be paid by the Purchaser to the Vendors.

Accordingly, the consideration of US\$9 million and US\$7.5 million payable by the Purchaser pursuant to the First Equity Transfer Agreement and the Second Equity Transfer Agreement were determined based on the registered capital of the Target Company.

Further, the Board wishes to clarify that, the Target Company's right to operate finance lease businesses in the PRC not only provide opportunities for the Target Company to enter into finance lease businesses with other independent third parties, it also serves as an additional funding channel to the Company. By entering into the finance lease business, the Company will also be able to expand its funding channels by the connection and knowledge that the Target Company may have in the finance lease business. Whilst the provision of finance lease service is in itself a capital intensive business, however, taking into consideration of the business prospects of the Target Company, the Company believes that the Target Company will be able to generate return to the Group in a long run. Accordingly, the Directors (including the independent non-executive Directors) consider that the transactions as contemplated under the Cooperation Agreement and Equity Transfer Agreements are in the interests of the Company and its shareholders as a whole.

The Board confirms that the above clarification does not affect other information contained in the Announcement.

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

Hong Kong, 31 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.