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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

ACQUISITION OF PHOTOVOLTAIC POWER PROJECT COMPANY

This announcement is made by Kong Sun Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 9 October 2015, 江山永泰投資控股有限公司 (Kong Sun Yongtai Investment Holdings Co., Ltd.*) (the “**Purchaser**”), a wholly-owned subsidiary of the Company, entered into a cooperative framework agreement (the “**Cooperative Framework Agreement**”) with 無錫聯盛合眾新能源有限公司 (Wuxi Unisun Energy Co., Ltd.*) (“**Wuxi Unisun**”) and 江蘇天海光電科技有限公司 (Jiangsu Tihein Photovoltaic Technology Co., Ltd) (“**Jiangsu Tihein**”, together with Wuxi Unisun, the “**Vendors**”), pursuant to which the Purchaser agreed to acquire (the “**Acquisition**”) from the Vendors the entire equity interests in 威縣天海光伏發電有限公司 (Weixian Tihein Photovoltaic Energy Co., Ltd.*) (the “**Project Company**”) at the consideration of RMB255,000,000. To the best knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiry, each of the Vendors and the Project Company and their respective ultimate beneficial owner is independent of and not connected with the Company and its connected persons.

The entire issued equity interests of the Project Company had been pledged by Jiangsu Tihein to Wuxi Unisun on 3 December 2014, and accordingly Wuxi Unisun was the beneficial owner of the entire equity interests of the Project Company as at the date of the entering of the Cooperative Framework Agreement. Pursuant to the Cooperative Framework Agreement, the parties agreed that the pledge over the interests held by Jiangsu Tihein in favour of Wuxi Unisun will be released upon the entering of the Cooperative Framework Agreement and the interests under the pledge over interests originally held by Wuxi Unisun will be transferred to the Purchaser. Thereupon, the Purchaser will be interested in the pledge over interests of the Project Company held by Jiangsu Tihein. Upon the power grid being connected to the photovoltaic power plant of the Project Company, it is agreed that Wuxi Unisun will then acquire the entire equity interests of the Project Company from Jiangsu Tihein, which Wuxi Unisun will in turns transfer to the Purchaser pursuant to the terms of the Cooperative Framework Agreement. Upon completion of the acquisition contemplated under the Cooperative Framework Agreement, the Project Company will be wholly-owned by the Purchaser and will become an indirect wholly-owned subsidiary of the Company and its results will be consolidated with the financial statements of the Group.

The Project Company is a limited liability company established in Weixian County, Hebei Province (河北省威縣), the People's Republic of China (the "PRC") and is principally engaged in the development of a 30 mega-watts photovoltaic power plant. As at the date of this announcement, the construction of the power plant has been completed with the power grid being properly connected.

As each of the applicable ratios as set out in the Listing Rules in respect of the Acquisition is below 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The Company is principally engaged in properties investment, manufacturing and sale of life-like plants, securities investment, and investment in the development of photovoltaic power stations 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. The entering into of the Cooperative Framework Agreement signifies the furtherance of the Company's initiative into the photovoltaic power sector in Hebei Province in the PRC. The Directors (including the independent non-executive Directors) consider that the Cooperative Framework Agreement has been entered into on normal commercial terms and that such terms are fair and reasonable so far as the Company and the shareholders of the Company are concerned and that the entering into of the Cooperative Framework Agreement is in the interests of the Company and the shareholders of the Company as a whole.

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

Hong Kong, 9 October 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.*