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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)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 44.587% EQUITY INTEREST IN ZHONGKE HENGYUAN TECHNOLOGY CO., LTD.

THE ACQUISITION

The Board is pleased to announce that, on 4 December 2015, the Purchaser entered into the Acquisition Agreement with, among others, the Vendors, pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell an aggregate of 44.587% equity interest in the Target Company.

The Target Company is a limited liability company established in the PRC and the Target Group is principally engaged in the construction and development of photovoltaic power station projects and manufacture and sale of wind-solar hybrid street lights in the PRC.

The consideration for the Acquisition is RMB347,800,000.

A deposit (the “**Deposit**”) in the amount of RMB10 million had been paid in cash to the Vendors and/or their representatives. The remaining balance of the Consideration in the aggregate amount of RMB337,800,000 shall be settled in cash by the Purchaser.

The Group intends to settle the remaining balance of the Consideration by internal resources and/or any future fund raising activities.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are 25% or more and all of the applicable percentage ratios are less than 100%, the Acquisition will constitute a major transaction for the Company and is subject to the notification, announcement and Shareholders' approval requirements under the Listing Rules.

The EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve the Acquisition Agreement and transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) the Vendors are independent of the Company and connected persons of the Company; and (ii) Mr. Xiang, who is interested in 676,020,000 Shares (representing approximately 6.9% of the issued share capital of the Company as at the date of this announcement) and 60,000,000 share options of the Company as at the date of this announcement, is also interested in 35.331% equity interest of the Target Company as at the date of this announcement. Accordingly, Mr. Xiang's interest in the ordinary resolution(s) to be proposed at the EGM may be different from the other Shareholders of the Company, Mr. Xiang and his associates shall abstain from voting in the relevant resolutions approving the Acquisition Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition; (ii) financial information and other information of the Target Group; (iii) the pro forma financial information of the Enlarged Group as a result of the Acquisition; and (iv) valuation report of the Properties will be despatched to the Shareholders on or before 24 December 2015 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

THE ACQUISITION

Reference is made to the announcement of the Company dated 13 July 2015 in relation to the entering of a memorandum of understanding between, among others, the Company and all the shareholders of the Target Company.

The Board is pleased to announce that, on 4 December 2015, the Purchaser entered into the Acquisition Agreement with, among others, the Vendors, pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell an aggregate of 44.587% equity interest in the Target Company.

The principal terms of the Acquisition Agreement are as follows:

PRINCIPAL TERMS OF THE ACQUISITION AGREEMENT

Date:

4 December 2015

Parties

(1) Purchaser:

Kong Sun Yongtai, a wholly-owned subsidiary of the Company

(2) Vendors:

Shareholders of the Target Company comprising 37 individuals and 10 investment holding companies, which together own 44.587% equity interest of the Target Company.

(3) Vendors Nominee, a limited partnership established in the PRC on 6 May 2014, the scope of operations of which are advisory and investment management, nominated by the Vendors to receive any payment of the Consideration on behalf of the Vendors; and

(4) the Target Company:

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Target Company, the Vendors Nominee and the Vendors is an Independent Third Party.

Assets to be acquired

The Purchaser conditionally agreed to acquire from the Vendors an aggregate of 44.587% equity interest in the Target Company.

Further information about the Target Company is set out in the paragraph headed "Information on the Target Company" below.

Consideration

The consideration for the Acquisition is RMB347,800,000.

The Deposit in the amount of RMB10 million had been paid in cash to the Vendors and/or their representatives.

The remaining balance of the Consideration in the aggregate amount of RMB337,800,000 shall be settled in cash by the Purchaser in the following manner:

- (i) within three Business Days upon updating the register of members of the Target Company, the first instalment in the aggregate amount of RMB173,900,000 shall be paid by the Purchaser; and
- (ii) within ten Business Days upon completion of the registrations with relevant industrial and commercial registration authorities for (i) releasing the share charge created by the Vendors in relation to the equity interests of the Target Company; and (ii) updating the register of members and articles of association of the Target Company (if required to effect the transactions contemplated under the Acquisition Agreement), the remaining balance of the Consideration, less any amount of duties payable by the natural persons of the Vendors which shall be paid by the Purchaser on their behalf, shall be paid by the Purchaser.

All payments of the Consideration shall be paid to the Vendors Nominee, which has been irrevocably appointed by the Vendors to receive any payment of the Consideration. The Purchaser's obligation to pay the Consideration shall be fulfilled upon payment of the Consideration to the Vendors Nominee.

The Deposit was settled by internal resources of the Group. The Group intends to settle the remaining balance of the Consideration by internal resources and/or any future fund raising activities.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors. It was determined with reference to the unaudited net asset value of the Target Company of RMB544.5 million based on the consolidated management accounts of the Target Group as at 30 June 2015, adjusted by the revaluation of the Properties resulting in a gain of approximately RMB65 million attributable to the revaluation of land and properties in the PRC based on the preliminary Properties Valuation and the percentage of equity interest in the Target Company subject to the Acquisition.

The Consideration represents a premium of approximately 28% of the unaudited net asset value of the Target Group (as adjusted by the revaluation of the Properties) based on the consolidated management accounts of the Target Group as at 30 June 2015. In view of the potential synergies generated upon Completion, the technological know-how and experience of the Target Group in the engineering, procurement and construction (EPC) of photovoltaic

power plants, details of which are further explained under the section headed “REASONS FOR THE ACQUISITION” of this announcement, the Directors are of the view that the Consideration is fair and reasonable.

The financial information on the Target Company, an accountants’ report on the Target Company and the Properties Valuation will be included in the circular to be despatched to the Shareholders.

Conditions precedent

Completion is conditional upon the following conditions having been fulfilled or waived by the Purchaser (as the case may be, except that condition (iii) below cannot be waived) on or before the Long Stop Date:

- (i) completion of due diligence on the business, financial, legal, accounting and other matters on the Target Group by the Purchaser;
- (ii) any major issues discovered during the due diligence exercise are resolved to the satisfaction of the Purchaser;
- (iii) the Company having obtained necessary approval from the Independent Shareholders on the Acquisition Agreement and the transactions contemplated under the Acquisition in accordance with the requirement of the Listing Rules;
- (iv) the Company has obtained funding to settle the Consideration;
- (v) the Purchaser having obtained the written consents and waivers from the shareholders of the Target Company consenting to the Acquisition and waiving any rights of first offer or pre-emption rights (if any) arising from the relevant laws and regulations or any other documents that may affect Completion;
- (vi) the Vendors and Target Company having obtained all necessary consents and approvals, including but not limited to consents and approvals from the relevant authorities and other third parties, in relation to the Acquisition and the passing of all documentary proofs of such consents and approval to the Purchaser;
- (vii) the representations, warranties and undertakings given by the Vendors are true and accurate in all material respects on the date of the Acquisition Agreement and remain true and accurate in all material respects on any date of payment of the Consideration;

- (viii) no promulgations or implementations of any laws, regulations, injunctions, decisions or policies by the government that will restrict or prohibit the Acquisition or make the Acquisition illegal;
- (ix) no litigation, arbitration or administrative sanctions against or pending against any member of the Target Group that, if decided adversely, would inhibit or otherwise materially affect the consummation of the transactions contemplated under the Acquisition, or in the reasonable opinion of the Purchaser, would have a Material Adverse Effect on the Target Group; and
- (x) nothing has occurred which has or, in the reasonable opinion of the Purchaser, is expected to have a Material Adverse Effect.

The Vendors and Target Company have agreed to effect the update and registration of the register of members of the Target Company within ten Business Days from the date of the Completion.

If the above conditions are not fulfilled on or before the Long Stop Date, then the Acquisition Agreement shall terminate.

INFORMATION ON THE VENDORS

The Vendors comprise of 37 individuals and 10 investment holding companies.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Vendors (and in the case of the Vendors who are corporate entities, their respective ultimate beneficial owner(s)):

- (i) except for entering into the Acquisition Agreement, have entered into any agreement, arrangement, understanding and undertaking (whether formal or informal and whether express or implied) with a connected person of the Company in relation to the Acquisition of the Target Company;
- (ii) except for their respective equity interests in the Target Company, have any relationship (in business, shareholding or otherwise) with Mr. Xiang and his associates;
- (iii) have been financed directly or indirectly by a connected person of the Company or Mr. Xiang in their respective original investment in the Target Company; nor

- (iv) are accustomed to take instructions from a connected person of the Company and/or Mr. Xiang in relation to the acquisition, disposal, voting or other disposition of interest in the Target Company registered in the respective Vendor's name or otherwise held by the respective Vendor.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC and the Target Group is principally engaged in the construction and development of photovoltaic power station projects and manufacture and sale of wind-solar hybrid street lights in the PRC.

Historical transactions of the Group with the Target Company

As disclosed in the 2015 interim report of the Company, the Company entered into several memoranda of understanding, cooperation agreements and framework agreements on proposed acquisition of or investments in photovoltaic power plants in the PRC since 2014, of which the Company acquired various project companies, including the acquisitions of the entire equity interests of the following three project companies:

- (i) Hami Chaoxiang New Energy Technology Co., Ltd.* (哈密朝翔新能源科技有限公司), from Beijing Hengyuan Tiantai Energy Technology Co., Ltd.* (北京恒源天泰能源科技有限公司) (“**Beijing Hengyuan**”) and Xinjiang Zhongke Hengyuan New Energy Technology Co., Ltd.* (新疆中科恒源新能源科技有限公司), both of the vendors were companies ultimately wholly-owned by the Target Company, immediately before completion of the acquisition, details of the acquisition are disclosed in the announcement of the Company dated 30 October 2014 ;
- (ii) Yumen Yonglian Technology New Energy Co., Ltd.* (玉門市永聯科技新能源有限公司), 19% equity interest of which was acquired from Beijing Hengyuan and the remaining 81% equity interest of which was acquired from Shenzhen Intercontinental Trading Investment Co., Ltd.* (深圳市洲際通商投資有限公司), a party independent of each and all the shareholders of the Target Company, details of the acquisition are disclosed in the announcement of the Company dated 4 November 2014; and
- (iii) Gansu Hongyuan Solar Electric Co., Ltd.* (甘肅宏遠光電有限責任公司), from the Target Company and Gansu Zhongke Hengyuan New Energy Technology Co., Ltd.* (甘肅中科恒源新能源科技有限公司), both of the vendors were companies ultimately wholly-owned by the Target Company immediately before completion of the acquisition, details of the acquisition are disclosed in the announcement of the Company dated 7 November 2014.

Principal businesses of the Target Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Group's principal business consists of three major principal business segments, namely:

- (i) self development of photovoltaic ("PV") power plants, including the following major projects as at the date of this announcement:

Location	Estimated capacity	Type of PV	Progress
Datong City, Shanxi Province	20 MW	Ground mounted PV power station	Still under construction
Jiayuguan City, Gansu Province	50 MW	Ground mounted PV power station	Still under construction
Jiayuguan City, Gansu Province	30 MW	Ground mounted PV power station	Still under construction
Baiyin City, Gansu Province	1.2 MW	Solar panels on telecommunication stations	Still under construction

- (ii) engineering, procurement and construction (EPC) of PV power plants for customers, including the following major projects as at the date of this announcement:

Location	Estimated capacity
Lankao County, Henan Province	30 MW
Shilin City, Yunnan Province	56 MW
Puyang City, Henan Province	60 MW
Yuli County, Xinjiang Province	20 MW
Qianyang City, Shaanxi Province	20 MW
Hebi City, Henan Province	50 MW

(iii) the manufacture and sale of wind-solar hybrid street lights, including the following major projects as at the date of this announcement:

Customer	Total Contract sum RMB'000	Progress
Lanzhou New Area City Development Investment Co. Ltd.* 蘭州新區城市發展 投資有限公司	12,000	Fully completed already
Chengzhou Hi-Tech Investment Holding Co. Ltd.* 郴州高科投資 控股有限公司	79,800	Under construction; expected to be partially completed in 2nd half of 2015; majority of project expected to be completed in 2016
Hohhot City Engineering Management Co. Ltd.* 呼和浩特市政工程 管理公司	33,340	Under construction; partially completed; project expected to be fully completed in 2016
Fushan Industrial Park Community Management Committee* 富山工業園 管委會建管中心	8,000	Under construction and expected to be completed in 2nd half of 2015
Total	133,140	

The revenue of the projects in relation to the manufacture and sale of wind-solar hybrid street lights will be recognized using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

Financial information of the Target Company

Set out below is the unaudited consolidated financial information prepared based on the consolidated management accounts of the Target Group for the two years ended 31 December 2014 and for the six months ended 30 June 2014 and 2015 prepared consistent with the accounting policies adopted by the Group:

	For the year ended 31 December 2013		For the year ended 31 December 2014		For the six months ended 30 June 2014		For the six months ended 30 June 2015	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Revenue								
Construction of solar power plants	420,761	41.2%	275,888	44.8%	31,798	43.5%	68,621	56.9%
Sales of street lights	599,219	58.7%	171,546	27.8%	18,954	26.0%	30,364	25.2%
Other revenue (<i>Note</i>)	1,541	0.1%	168,494	27.4%	22,261	30.5%	21,668	17.9%
	<u>1,021,521</u>	100.0%	<u>615,928</u>	100.0%	<u>73,013</u>	100.0%	<u>120,653</u>	100.0%
Gross Profit								
Construction of solar power plants	70,219	30.5%	66,961	38.8%	8,627	30.4%	21,246	61.8%
Sales of street lights	159,255	69.1%	47,245	27.4%	2,643	9.3%	5,521	16.0%
Other revenue (<i>Note</i>)	1,015	0.4%	58,410	33.8%	17,084	60.3%	7,628	22.2%
	<u>230,489</u>	100.0%	<u>172,616</u>	100.0%	<u>28,354</u>	100.0%	<u>34,395</u>	100.0%
Profit (loss) before taxation	101,802		14,696		(53,417)		(83,940)	
Profit (loss) after taxation	81,701		9,023		(46,918)		(72,389)	
Net assets value	586,516		615,916		539,598		544,527	

Note: Other revenue consist of sales of monitoring equipment, sales of solar energy-related products, sales of electricity and other miscellaneous income.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries:

- i. the drop in profit before tax of the Target Group in 2014 was mainly attributable to the accounting treatment of revenue recognition in relation to a contract for the manufacture and sale of street lights in Chenzhou of Hunan Province for a total contract sum of RMB600 million in 2013. As the recognition of revenue was dependent on the percentage of completion of the project, a revenue of RMB480 million and RMB120 million was recognised for the financial year ended 2013 and 2014, respectively; and
- ii. in the business of construction of solar power plants (EPC), usually more projects are completed in the second half of the year. The Directors consider that it is not unusual that a company engaged in the EPC business would incur a loss in the first half of the year, while making a profit in the full year. The same seasonal pattern was noticed in the consolidated management accounts of the Target Group for the year ended 31 December 2014.

The financial information on the Target Company disclosed above is subject to audit and an accountants' report on the Target Company prepared in compliance with the requirements of the Listing Rules will be included in the circular to be despatched to the Shareholders.

Upon Completion, the Target Group would be accounted for using the equity method as "Investment in a Joint Venture" in the consolidated financial statements of the Group.

REASONS FOR THE ACQUISITION

As disclosed under the section "INFORMATION ON THE TARGET COMPANY", the Company had previously acquired three project companies from the Target Group in 2014 which held three completed PV power plants. From the previous experiences of the acquisitions from the Target Group, the Directors had considered further acquisitions of PV power plants, including completed projects and projects under construction.

The Company is principally engaged in properties investment, manufacturing and sale of life-like plants 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. 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.

In considering the potential integration of the Target Group's business with the Group's existing business upon Completion, the Board considered that the Target Group's principal businesses include:

- a) the manufacture and sale of wind-solar hybrid street lights: the use of solar technology and raw materials of which are substantially similar to the Group's current operations;
- b) engineering, procurement and construction (EPC) of PV power plants: the Group currently engages independent contractors to build solar plants. Upon completion of the Acquisition, the Group can benefit from the experience and expertise of the Target Group in addition to having its own EPC business in solar plants;
- c) the sale of solar energy-related products: a business segment that is an existing business segment of the Group, the Enlarged Group will benefit from the synergies of shared personnel and resources upon Completion; and
- d) the sale of electricity: a business segment that is an existing business segment of the Group, the Enlarged Group will benefit from the synergies of shared personnel and resources upon Completion.

The Target Company has many years of experience in the solar energy business, more importantly, they have business in the construction of photovoltaic power stations and the manufacture and sale of wind-solar hybrid street lights, which could help the Group to diversify its income stream.

Given that the experience of the Target Company in the development of photovoltaic power stations could complement and enhance the Group's initiative in developing photovoltaic power stations in the PRC and the wind-solar hybrid street lights could be an income stream for the Group, and that the Acquisition is being carried out after arm's length negotiations on normal commercial terms, the Directors are of the view that the terms of the Acquisition are fair and reasonable and that the Acquisition is in the best interests of the Company and the Shareholders as a whole.

As at the date of this announcement, (i) there is no agreement or arrangement between the Vendors and the Company in relation to the appointment of any individuals of the Vendors to become Directors; and (ii) the Company has no intention to acquire the remaining interest of the Target Company on or before August 2016. The Directors will continue to monitor and review the Group's business and operations from time to time, and may take steps that they deem necessary or appropriate to optimise the value of the Group. The Stock Exchange has indicated that if the Company acquires further interest in the Target Group after August 2016,

the Stock Exchange will aggregate these further acquisition(s) with the Acquisition and assess whether these further acquisition(s) would constitute a reverse takeover under Rule 14.06(6) of the Listing Rules.

As at the date of this announcement, Pohua JT Private Equity Fund L.P. (“**Pohua**”) is the controlling shareholder of the Company which holds 5,855,820,000 Shares, representing approximately 59.83% of the issued share capital of the Company. The general partner of Pohua is Pohua JT Capital Partners Limited, which is ultimately held as to 15% by Mr. Zhang Fengwu (through his wholly-owned company, Fortune Financial Holdings (LP) Limited), 16% by Mr. Chang Tat Joel, a non-Executive Director of the Company (through his wholly-owned companies, Infinity Gain Enterprises Limited and Cheer Full Management Limited), 49% by Ms. He Sensen (through her wholly-owned company, Golden Port Holdings Limited) and 20% by Mr. Li Haifeng (through his wholly-owned companies, Triumph Alliance Holdings Limited and JT Capital Investments Limited).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are 25% or more and all of the applicable percentage ratios are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and Shareholders’ approval requirements under the Listing Rules.

The EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve the Acquisition Agreement and transactions contemplated thereunder.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) the Vendors are independent of the Company and connected persons of the Company; and (ii) Mr. Xiang, who is interested in 676,020,000 Shares (representing approximately 6.9% of the issued share capital of the Company as at the date of this announcement) and 60,000,000 share options of the Company as at the date of this announcement, is also interested in 35.331% equity interest of the Target Company as at the date of this announcement. Accordingly, Mr. Xiang’s interest in the ordinary resolution(s) to be proposed at the EGM may be different from the other Shareholders of the Company, Mr. Xiang and his associates shall abstain from voting in the relevant resolutions approving the Acquisition Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition; (ii) financial information and other information of the Target Group; (iii) the pro forma financial information of the Enlarged Group as a result of the Acquisition; and (iv) valuation report of the Properties will be despatched to the Shareholders on or before 24 December 2015 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

“Acquisition”	the acquisition by the Purchaser of the 44.587% equity interest in the Target Company
“Acquisition Agreement”	the acquisition agreement dated 4 December 2015 entered into, among others, the Purchaser and the Vendors in relation to the Acquisition
”Board”	the board of Directors
“Business Day(s)”	any day, except a day as required and authorised by law, on which banks in the PRC are not open for business
“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
“Completion”	completion of the Acquisition Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of the Acquisition
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Acquisition and the transactions contemplated thereunder
“Enlarged Group”	the Group and the Target Group upon Completion
“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
“Independent Shareholders”	the Shareholders other than those who are required to abstain from voting at the EGM under the Listing Rules in relation to the resolution(s) approving the Acquisition and the transactions contemplated thereunder and their respective associates
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are not connected with (within the meaning under the Listing Rules) the Company, any of the director, chief executive or substantial shareholders (as defined under the Listing Rules)
“Kong Sun Yongtai”	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 and a company established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	90 days from the date of the Acquisition Agreement, or such other later date as shall be agreed by the Purchaser and the Vendors in writing

“Material Adverse Effect(s)”	means effect(s) that may result in a deterioration of the Group’s assets, liabilities, operations, business or financial conditions, lower or result in the loss of a member of the Group’s productivity. For the avoidance of doubt, if an effect will result in the actual loss of more than RMB10 million by a member(s) of the Group individually or collectively, then the effect shall constitute a material adverse effect
“Mr. Xiang”	Mr. Xiang Jun, who is interested in 676,020,000 Shares (representing approximately 6.9% of the issued share capital of the Company as at the date of this announcement) and 60,000,000 share options of the Company as at the date of this announcement, who is also interested in 35.331% equity interest of the Target Company as at the date of this announcement
“PRC”	the People’s Republic of China and for the purpose of this announcement, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Properties”	land and properties held by the Target Group
“Properties Valuation”	the valuation of Properties by an independent professional valuer
“Purchaser”	Kong Sun Yongtai
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary or subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“Target Company”	中科恒源科技股份有限公司 (Zhongke Hengyuan Technology Co., Ltd.*), a company established under the laws of the PRC

“Target Group”	the Target Company and its subsidiaries
“Vendor(s)”	shareholder(s) of the Target Company comprising 37 individuals and 10 investment holding companies, which together own 44.587% of the equity interest in the Target Company
“Vendors Nominee”	長沙德展投資管理合夥企業 (Zhangsha Dezhuan Investment Management Limited Partnership*), a partnership established under the laws of the PRC
“%”	per cent.

* *For identification purposes only*

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

Hong Kong, 4 December 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.