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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 IN RELATION TO
THE ACQUISITION OF DINGBIAN ANG'LI PHOTOVOLTAIC
TECHNOLOGY COMPANY LIMITED***

THE ACQUISITION

The Board is pleased to announce that, on 28 January 2016 (after trading hours of the Stock Exchange), the Purchaser, the Vendor and Dingbian Ang'Li entered into the Agreement, pursuant to which, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Equity Interest.

LISTING RULES IMPLICATION

As one or more of the applicable ratios as set out in Rule 14.07 of the Listing Rules in respect of the Agreement are over 5% and all the applicable ratios are less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As completion of the Acquisition is subject to and conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition and the transactions contemplated thereunder may or may not proceed to completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

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PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are:

Date:

28 January 2016 (after trading hours of the Stock Exchange)

Parties:

- (i) the Purchaser;
- (ii) the Vendor; and
- (iii) Dingbian Ang'Li.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor, Dingbian Ang'Li and their respective ultimate beneficial owners is a third party independent of the Company and connected persons of the Company.

Subject matter

Subject to and conditional upon fulfilment of all the conditions precedent set out in the Agreement, the Purchaser conditionally agreed to acquire from the Vendor the Sale Equity Interest.

Dingbian Ang'Li is a company established in the PRC on 13 February 2012 and is principally engaged in the development and construction of the Dingbian Ang'Li Project. As at the date of this announcement, the construction of the Dingbian Ang'Li Project has been completed and connected to the power grid in January 2016.

The financial information of Dingbian Ang'Li as extracted from its unaudited management accounts is summarized as follows:

	For the year ended 31 December 2014 (Unaudited) <i>RMB</i>	For the year ended 31 December 2015 (Unaudited) <i>RMB</i>
Net loss before taxation	(9,600)	(59,200)
Net loss after taxation	(9,600)	(59,200)

The unaudited total asset value and net asset value of Dingbian Ang'Li as at 31 December 2015 were approximately RMB636,331,000 and RMB931,000, respectively.

Consideration

The aggregate consideration for the Acquisition is RMB895 million, and is payable by the Purchaser in cash as follows:

- i. 20% of the aggregate consideration (i.e. RMB179 million) was paid upon signing of the Agreement;
- ii. 70% of the aggregate consideration (i.e. RMB626.5 million) shall be payable within five Business Days upon fulfillment of the following conditions:
 - a. Dingbian Ang'Li Project obtained all the necessary approval documents in relation to the connection to power grid and feed-in-tariff; and
 - b. the entire equity interest in Dingbian Ang'Li having been transferred to the Purchaser and all relevant registration procedures of the share transfer having been completed (including the obtaining of a new business license); and
- iii. the remaining 10% of the aggregate consideration (i.e. RMB89.5 million) will be retained by the Purchaser interest free and released to the Vendor one year after the date on which the entire equity interest in Dingbian Ang'Li has been transferred to the Purchaser provided that there is no defect in the Dingbian Ang'Li Project.

The consideration will be satisfied by internal resources of the Group.

The consideration was determined after arm's length negotiations between the Purchaser and the Vendor after taking into account the actual costs and expenses incurred by the Vendor for the construction and development of the Dingbian Ang'Li Project and the unaudited net asset value of Dingbian Ang'Li and the expected future revenue to be generated by the Dingbian Ang'Li Project. The Directors consider that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Agreement is subject to and conditional upon fulfillment of the following conditions precedent:

- i. all necessary consents and authorizations required to be obtained for the execution and performance of the Agreement having been obtained;
- ii. representations and warranties given by each of the Vendor and Purchaser under the Agreement remaining complete, true and accurate, and are not deceptive, misleading and there are no other matters the omission of which is considered material on the date of signing of the Agreement and completion of the Acquisition; and
- iii. the transaction would not constitute a violation of any laws and relevant regulations.

Upon fulfillment of the conditions precedent set out above, completion of the Acquisition will take place upon the name of the Purchaser having been registered in the register of members of Dingbian Ang'Li and the Purchaser obtaining possession and control of the Dingbian Ang'Li Project.

Guarantee

Vendor's shareholders guarantee

Within three Business Days from the date of the Agreement, the Vendor's shareholders shall execute and deliver to the Purchaser a guarantee such that they will jointly and severally guarantee the performance of the Vendor's obligations under the Agreement.

The above guarantee is valid from the date of the guarantee to the date falling two years after the fulfillment of the Vendor's obligations under the Agreement.

Vendor's representations and warranties

The Agreement contains representations and warranties given by the Vendor, including but not limited to:

- i. the Dingbian Ang'Li Project meets the relevant promulgated national and industry standards;
- ii. the life expectancy of the Dingbian Ang'Li Project will not be less than 25 years and the warranty period is not less than 10 years;
- iii. during the warranty period, the power generation efficiency of the Dingbian Ang'Li Project will not be less than 81%; and
- iv. the decay rate of the crystalline silicone modules used in the Dingbian Ang'Li Project will not be more than 2% in the first year upon completion, 3.2% in the second year upon completion, 5.3% in the fifth year upon completion, 8.8% in the tenth year upon completion and 20% in the twenty-fifth year upon completion.

INFORMATION OF THE PARTIES

The Purchaser is a wholly-owned subsidiary of the Company which is principally engaged in investment holding.

The Vendor is a company established in the PRC which is principally engaged in the investment in and development of solar power projects in the PRC.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

Based on the reasons and benefits discussed above, the Directors (including the independent non-executive Directors) consider that the Agreement has been entered into on normal commercial terms and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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As completion of the Acquisition is subject to and conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition and the transactions contemplated thereunder may or may not proceed to completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Equity Interest
“Agreement”	the agreement dated 28 January 2016 entered into between the Purchaser, the Vendor and Dingbian Ang’Li in respect of the Acquisition
“Board”	the board of the Directors
“Business Day(s)”	any day, except Saturday, Sunday and 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 securities of which are listed on the Stock Exchange;

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Dingbian Ang’Li”	定邊縣昂立光伏科技有限公司 (Dingbian Ang’Li Photovoltaic Technology Company Limited*), a company established in the PRC and owned as to 100% by the Vendor
“Dingbian Ang’Li Project”	the 100MW photovoltaic power generation project owned by Dingbian Ang’Li in Dingbian County, Yulin City, Shaanxi Province, the PRC
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	mega watts
“PRC”	The People’s Republic of China
“Purchaser”	江山永泰投資控股有限公司 (Kong Sun Yongtai Investment Holdings Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity Interest”	100% equity interest in Dingbian Ang’Li
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”

中船重工西安東儀新能源有限責任公司(Zhong Chuan Zhonggong Xian Dongyi New Energy Company Limited*), a company established in 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, 28 January 2016

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.