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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 STRATEGIC CO-OPERATION AGREEMENT

This announcement is made by Kong Sun Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 Listing Rules.

On 3 November 2016, the Company entered into a strategic co-operation agreement (the “**Strategic Co-operation Agreement**”) with China Kangfu International Leasing Co., Ltd.* (中國康富國際租賃股份有限公司) (“**Kangfu Leasing**”), pursuant to which the parties agreed to co-operate with each others in the development of new-energy financing and investment in the People’s Republic of China (the “**PRC**”), and that the Company shall pursue Kangfu Leasing to be one of its principal financing partners for the purpose of financing its development of and future acquisitions of photovoltaic power system projects by the Group.

Principal terms of the Strategic Co-operation Agreement are as follows:

Date : 3 November 2016

Parties : (i) the Company; and
(ii) Kangfu Leasing.

To the best of the knowledge, information and belief of the directors of the Company (the “**Directors**”), after having made all reasonable enquiries, Kangfu Leasing and its ultimate beneficial owners are independent of the Company and its connected persons (as defined under the Listing Rules).

Scope of co-operation : Pursuant to the Strategic Co-operation Agreement and subject to entering into definitive agreements, it is agreed that:

- (i) Kangfu Leasing shall provide general financial services to cater for the financial needs of the Company;
- (ii) Kangfu Leasing would provide an aggregate finance lease credit line not exceeding RMB5 billion for the Group’s photovoltaic power projects in the PRC for a term of two years;
- (iii) subject to the satisfaction of any applicable internal approval procedures of Kangfu Leasing, Kangfu Leasing shall provide necessary financial assistance to the Company for the purpose of any future acquisitions of photovoltaic power system projects by the Group; and
- (iv) Kangfu Leasing shall identify potential acquisition target for the Company and at the same time the Company shall introduce photovoltaic power plant developers and equipment suppliers to Kangfu Leasing so as to establish a mutual co-operative relationship among the parties.

INFORMATION ABOUT THE COMPANY

The Company is principally engaged in properties investment, sale of life-like plants, investment in and development of photovoltaic power plants and trading of equipments related to photovoltaic power stations in the PRC.

INFORMATION ON KANGFU LEASING

Kangfu Leasing is a company established in the PRC and is principally engaged in the provision of finance leasing services in the PRC. Kangfu Leasing has been quoted on the National Equities Exchange and Quotations (Code: 833499) since 2015.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC CO-OPERATION AGREEMENT

The Company has since 2014 entered into a number of memoranda of understanding and agreements for the development of and investment in photovoltaic power plants in the PRC. The board of Directors (the “**Board**”) considers that the entering into of the Strategic Co-operation Agreement would provide additional certainty in the future financing of the Group to facilitate the business development of the Group.

The terms under the Strategic Co-operation Agreement have been agreed upon arm’s length negotiations between the relevant parties with reference to the prevailing market practice. The Directors consider that the terms of the Strategic Co-operation Agreement are fair and reasonable and in the interests of the Company and shareholders of the Company as a whole.

As the co-operation contemplated under the Strategic Co-operation Agreement is subject to the signing of definitive agreements with respect to the specific projects, the co-operation contemplated thereunder may or may not materialise. Shareholders and investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

CONTINUAL SUSPENSION OF TRADING

At the request of the Company, trading in its shares on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2016 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

3 November 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.

* *For identification purposes only*