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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
ACQUISITIONS OF H-SHARES OF BANK OF JINZHOU CO., LTD.**

THE ACQUISITIONS

The Board is pleased to announce that on 30 March 2017 (after trading hours of the Stock Exchange), Kong Sun Yongtai, a wholly-owned subsidiary of the Company, entered into (i) the First Share Transfer Agreement with the First Vendor pursuant to which Kong Sun Yongtai agreed to acquire, and the First Vendor agreed to dispose of, 57,500,000 H-Shares at the price of RMB7.9161 per H-Share; and (ii) the Second Share Transfer Agreement with the Second Vendor pursuant to which Kong Sun Yongtai agreed to acquire, and the Second Vendor agreed to dispose of, 50,000,000 H-Shares at the price of RMB7.9161 per H-Share.

The 57,500,000 H-Shares to be acquired by Kong Sun Yongtai pursuant to the First Share Transfer Agreement represents approximately 2.28% and 0.85% of the total number of H-Shares and the total number of Jinzhou Shares of Jinzhou Bank in issue as at the date of the First Share Transfer Agreement.

The 50,000,000 H-Shares to be acquired by Kong Sun Yongtai pursuant to the Second Share Transfer Agreement represents approximately 1.99% and 0.74% of the total number of H-Shares and the total number of Jinzhou Shares of Jinzhou Bank in issue as at the date of the Second Share Transfer Agreement.

Upon completion of the Acquisitions, Kong Sun Yongtai will hold an aggregate of 107,500,000 H-Shares, representing approximately 4.27% and 1.59% of the total number of H-Shares and the total number of Jinzhou Shares of Jinzhou Bank in issue as at the date of the Share Transfer Agreements (assuming no other Jinzhou Shares will be issued by Jinzhou Bank prior to the completion of the Acquisitions).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisitions exceeds 5% and all the applicable percentage ratios are less than 25%, the transactions contemplated under the Share Transfer Agreements constitute discloseable transactions for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 30 March 2017 (after trading hours of the Stock Exchange), Kong Sun Yongtai, a wholly-owned subsidiary of the Company, entered into (i) the First Share Transfer Agreement with the First Vendor pursuant to which Kong Sun Yongtai agreed to acquire, and the First Vendor agreed to dispose of, 57,500,000 H-Shares at the price of RMB7.9161 per H-Share; and (ii) the Second Share Transfer Agreement with the Second Vendor pursuant to which Kong Sun Yongtai agreed to acquire, and the Second Vendor agreed to dispose of, 50,000,000 H-Shares at the price of RMB7.9161 per H-Share.

PRINCIPAL TERMS OF THE SHARE TRANSFER AGREEMENTS

The First Share Transfer Agreement

Date

30 March 2017

Parties

- (A) 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, as the purchaser; and
- (B) 大連勝智網路科技有限公司 (Dalian Shengzhi Network Technology Co., Ltd.*), as the First Vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the First Vendor and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Subject matter for the First Acquisition

Pursuant to the First Share Transfer Agreement, Kong Sun Yongtai agreed to acquire, and the First Vendor agreed to dispose of, 57,500,000 H-Shares at the price of RMB7.9161 per H-Share.

The 57,500,000 H-Shares to be acquired by Kong Sun Yongtai pursuant to the First Share Transfer Agreement represents approximately 2.28% and 0.85% of the total number of H-Shares and the total number of Jinzhou Shares of Jinzhou Bank in issue as at the date of the First Share Transfer Agreement.

Consideration for the First Acquisition

Pursuant to the First Share Transfer Agreement, the consideration payable by Kong Sun Yongtai for the First Acquisition is RMB7.9161 per H-Share, representing an aggregate consideration for the First Acquisition in the amount of RMB455,175,750.

The consideration payable for the First Acquisition was determined after arm's length negotiations between Kong Sun Yongtai and the First Vendor with reference to the closing price of the H-Shares of Jinzhou Bank as at the date of the First Share Transfer Agreement as quoted on the Stock Exchange (i.e. HK\$9.18 (equivalent to approximately RMB8.1335) per H-Share).

The Second Share Transfer Agreement

Date

30 March 2017

Parties

- (A) 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, as the purchaser; and
- (B) 上海銀炬實業發展有限公司 (Shanghai Yinju Shiye Development Co., Ltd.*), as the Second Vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Second Vendor and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Subject matter for the Second Acquisition

Pursuant to the Second Share Transfer Agreement, Kong Sun Yongtai agreed to acquire, and the Second Vendor agreed to dispose of, 50,000,000 H-Shares at the price of RMB7.9161 per H-Share.

The 50,000,000 H-Shares to be acquired by Kong Sun Yongtai pursuant to the Second Share Transfer Agreement represents approximately 1.99% and 0.74% of the total number of H-Shares and the total number of Jinzhou Shares of Jinzhou Bank in issue as at the date of the Second Share Transfer Agreement.

Consideration for the Second Acquisition

Pursuant to the Second Share Transfer Agreement, the consideration payable by Kong Sun Yongtai for the Second Acquisition is RMB7.9161 per H-Share, representing an aggregate consideration for the Second Acquisition in the amount of RMB395,805,000.

The consideration payable for the Second Acquisition was determined after arm's length negotiations between Kong Sun Yongtai and the Second Vendor with reference to the closing price of the H-Shares of Jinzhou Bank as at the date of the Second Share Transfer Agreement as quoted on the Stock Exchange (i.e. HK\$9.18 (equivalent to approximately RMB8.1335) per H-Share).

Other principal terms of the Share Transfer Agreements

Payment of consideration

Pursuant to Share Transfer Agreements, each of the First Vendor and the Second Vendor shall arrange the necessary registration and procedure for the purpose of pledging the H-Shares to be acquired by Kong Sun Yongtai under the First Acquisition and Second Acquisition, respectively, to Kong Sun Yongtai as soon as practicable upon the entering of the First Share Transfer Agreement and the Second Share Transfer Agreement.

The consideration payable by Kong Sun Yongtai for the First Acquisition and the Second Acquisition shall be transferred to the designated bank accounts of the First Vendor and the Second Vendor upon receipt by Kong Sun Yongtai of all necessary evidence and document evidencing the completion of the pledge of the 57,500,000 H-Shares and 50,000,000 H-Shares in favour of Kong Sun Yongtai by the First Vendor and the Second Vendor, respectively.

The consideration payable by Kong Sun Yongtai for the First Acquisition and the Second Acquisition will be funded by internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the consideration payable for the Acquisitions is fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Completion

Completion of the Acquisitions will take place upon the transfer of the H-Shares to be acquired by Kong Sun Yongtai under the Share Transfer Agreements in the name of Kong Sun Yongtai or within six (6) months upon the entering of the respective Share Transfer Agreements.

If the First Vendor or the Second Vendor fails to complete the First Acquisition and the Second Acquisition within the timing as stipulated under the First Share Transfer Agreement and the Second Share Transfer Agreement, Kong Sun Yongtai shall have the right to terminate the First Share Transfer Agreement and the Second Share Transfer Agreement, respectively, with immediate effect with no further obligation on the part of Kong Sun Yongtai. Under such circumstances, the First Vendor and the Second Vendor shall return all payment made by Kong Sun Yongtai pursuant to the First Share Transfer Agreement and the Second Share Transfer Agreement together with an annual default payment of 9%.

INFORMATION ABOUT JINZHOU BANK

Jinzhou Bank is a bank established on 22 January 1997 with the approval of the People's Bank of China and principally engaged in the provision of corporate and retail deposits, loans and advances, payment and settlement services, as well as other banking services as approved by the CBRC.

According to the published financial statements of Jinzhou Bank, its consolidated financial results prepared in accordance with the International Financial Reporting Standards for the two years ended 31 December 2015 and 2016 are as follows:

	For the year ended 31 December 2015	For the year ended 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	6,495,569	10,870,915
Profit after taxation	4,908,056	8,199,446

The audited net asset value and total asset value of Jinzhou Bank as at 31 December 2016 were approximately RMB42,894,312,000 and RMB539,059,522,000, respectively.

INFORMATION OF THE FIRST VENDOR

The First Vendor is a company established in the PRC with limited liability, principally engaged in investment and securities holding.

Immediately prior to the entering of the First Share Transfer Agreement, the First Vendor held an aggregate of 80,000,000 H-Shares, representing approximately 3.18% and 1.18% of the total number of H-Shares and the total number of Jinzhou Shares of Jinzhou Bank in issue as at the date of the First Share Transfer Agreement.

INFORMATION OF THE SECOND VENDOR

The Second Vendor is a company established in the PRC with limited liability, principally engaged in investment and securities holding.

Immediately prior to the entering of the Second Share Transfer Agreement, the Second Vendor held an aggregate of 50,000,000 H-Shares, representing all the H-Shares to be disposed by the Second Vendor pursuant to the Second Share Transfer Agreement and approximately 1.99% and 0.74% of the total number of H-Shares and the total number of Jinzhou Shares of Jinzhou Bank in issue as at the date of the Second Share Transfer Agreement.

REASON FOR THE ACQUISITIONS

The Company is principally engaged in the investment in and development of photovoltaic power plants, properties and securities investment and trading of life-like plants in the PRC.

Kong Sun Yongtai is a company established in the PRC principally engaged in investment in and development of photovoltaic power plants and investment holding.

To maximize the interests for the Shareholders and to divert its investments, the Company continues to look for suitable investment opportunities with steady and stable income and return. The Company intends to hold the H-Shares acquired pursuant to the Share Transfer Agreements as long-term investment with an objective to improve the capital usage efficiency and earn reasonable investment return. Accordingly, the Board is of the view that the terms of the Share Transfer Agreements and the Acquisitions as contemplated under the respective Share Transfer Agreement are fair and reasonable are commercially beneficial and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisitions exceeds 5% and all the applicable percentage ratios are less than 25%, the transactions contemplated under the Share Transfer Agreements constitute discloseable transactions for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisitions”	the First Acquisition and the Second Acquisition
“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission* (中國銀行業監督管理委員會), an agency regulating the banking sector of the PRC except the territories of Hong Kong and the Macao Special Administrative Region
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary share(s) in the capital of Jinzhou Bank with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
“First Acquisition”	the acquisition of 57,500,000 H-Shares by Kong Sun Yongtai pursuant to the First Share Transfer Agreement

“First Share Transfer Agreement”	the share transfer agreement dated 30 March 2017 entered into between Kong Sun Yongtai and the First Vendor in respect of the First Acquisition
“First Vendor”	大連勝智網路科技有限公司 (Dalian Shengzhi Network Technology Co., Ltd.*)
“Group”	the Company and its subsidiaries
“H-Share(s)”	overseas listed foreign invested ordinary share(s) in the capital of Jinzhou Bank with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinzhou Bank”	Bank of Jinzhou Co., Ltd.* (錦州銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H-Shares are listed on the Main Board of the Stock Exchange (Stock Code: 416)
“Jinzhou Share(s)”	the Domestic Share(s) and the H-Share(s)
“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
“PRC”	the People’s Republic of China and for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macao Special Administration Region
“RMB”	Renminbi, the lawful currency of the PRC

“Second Acquisition”	the acquisition of 50,000,000 H-Shares by Kong Sun Yongtai pursuant to the Second Share Transfer Agreement
“Second Share Transfer Agreement”	the share transfer agreement dated 30 March 2017 entered into between Kong Sun Yongtai and the Second Vendor in respect of the Second Acquisition
“Second Vendor”	上海銀炬實業發展有限公司 (Shanghai Yinju Shiye Development Co., Ltd.*)
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Transfer Agreements”	the First Share Transfer Agreement and the Second Share Transfer Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 March 2017

As of the date of this announcement, the Board comprises three executive Directors, Mr. Zeng Jianhua, Mr. Liu Wen Ping and Mr. Chang Hoi Nam, one non-executive Director, Mr. Yuen Kin, and three independent non-executive Directors, Mr. Miu Hon Kit, Mr. Wang Haisheng and Ms. Wang Fang.

* *For identification purposes only*