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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
THE JINAN PROJECT COMPANY**

THE ACQUISITION

On 30 March 2017 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which (i) the Purchaser agreed to acquire, and the Vendor agreed to sell, the entire equity interest in the Jinan Project Company; and (ii) the Purchaser agreed to assume the Assumed Liabilities.

Upon completion of the Acquisition, each of the Jinan Project Company and Dezhou Ganchao will become a wholly-owned subsidiary of the Company and their respective financial results will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% and all the applicable percentage ratios are less than 25%, the transactions contemplated under the Acquisition Agreement constitute a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements but exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 30 March 2017 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which (i) the Purchaser agreed to acquire, and the Vendor agreed to sell, the entire equity interest in the Jinan Project Company; and (ii) the Purchaser agreed to assume the Assumed Liabilities.

PRINCIPAL TERMS OF THE ACQUISITION AGREEMENT

Date

30 March 2017 (after trading hours of the Stock Exchange)

Parties

- (i) the Purchaser, a wholly-owned subsidiary of the Company; and
- (ii) the Vendor.

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

Subject matter

Pursuant to the terms of the Acquisition Agreement, (i) the Purchaser agreed to acquire, and the Vendor agreed to sell, the entire equity interest in the Jinan Project Company; and (ii) the Purchaser agreed to assume the Assumed Liabilities.

Upon completion of the Acquisition, each of the Jinan Project Company and Dezhou Ganchao will become a wholly-owned subsidiary of the Company and their respective financial results will be consolidated into the financial statements of the Group.

Consideration

The aggregate consideration for the Acquisition is RMB137,494,910, which comprises of:

- (i) an amount of RMB5,704,577 as cash consideration for the transfer of the entire equity interest in the Jinan Project Company (the “**Cash Consideration**”); and
- (ii) an amount of RMB131,790,333, being the aggregate amount of the Assumed Liabilities.

The Cash Consideration shall be settled in full by the Purchaser by way of one-off payment within 30 days from the date of signing of the Acquisition Agreement (the “**Payment Date**”).

The aggregate consideration for the Acquisition shall be satisfied by internal resources of the Group.

If the Purchaser fails to fulfil its obligations to pay the Cash Consideration on or before the Payment Date, the Purchaser will be liable to pay to the Vendor a daily default payment of 0.03% of the Cash Consideration for the first sixty (60) days and thereafter a daily default payment of 0.05% of the Cash Consideration.

Basis of Consideration

The consideration for the Acquisition was determined after arm’s length negotiations between the parties to the Acquisition Agreement after taking into account of the unaudited consolidated net asset value and total asset value of the Jinan Project Group as at 31 December 2016 and the expected future revenue to be generated by the Project. The Directors consider that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Information on the Vendor and the Jinan Project Group

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

The Jinan Project Company is a company established in the PRC on 2 June 2015 and a wholly-owned subsidiary of the Vendor as at the date of the Acquisition Agreement. The Jinan Project Company is principally engaged in investment holding in the PRC.

Dezhou Ganchao is a company established in the PRC and a wholly-owned subsidiary of the Jinan Project Company as at the date of the Acquisition Agreement. The Jinan Project Company owns the Project through Dezhou Ganchao. Dezhou Ganchao is principally engaged in the investment in, development and operation of the Project. As at the date of this announcement, the construction of the Project has been completed and the power plant is connected to the power grid.

The financial information of the Jinan Project Group for the two years ended 31 December 2016 as extracted from its unaudited consolidated management accounts is summarised as follows:

	From the date of incorporation to 31 December 2015 (Unaudited) RMB	For the year ended 31 December 2016 (Unaudited) RMB
Consolidated net profit before taxation	1,000	4,923,000
Consolidated net profit after taxation	1,000	4,923,000

The unaudited consolidated net asset value and total asset value of the Jinan Project Group as at 31 December 2016 was approximately RMB4,924,000 and RMB229,373,000, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION AGREEMENT

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

The Directors are of the view that the Acquisition is in line with the business objectives of the Company and signifies the furtherance of the Group's initiative into the photovoltaic power sector in the PRC, thereby presenting opportunities for the Group's long term development. Based on the above, the Directors consider that the terms of the Acquisition Agreement have been entered into on normal commercial terms and are fair and reasonable, and in the interests of the Company and its 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 Acquisition exceeds 5% and all the applicable percentage ratios are less than 25%, the transactions contemplated under the Acquisition Agreement constitute a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements but exempted from shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire equity interest in the Jinan Project Company and the assumption of the Assumed Liabilities pursuant to the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement dated 30 March 2017 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Assumed Liabilities”	the aggregate amount of RMB131,790,333, which comprise of (i) debt and liabilities in the amount of RMB121,790,333 incurred by the Dezhou Ganchao as at 31 January 2017; and (ii) the unpaid registered capital in the amount of RMB10,000,000 of the Jinan Project Company payable by the Vendor
“Board”	the board of the Directors
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Dezhou Ganchao”	德州市陵城區乾超兄弟能源科技有限公司(Dezhou Shi Lingcheng District Ganchao Xiongdi Energy Technology Co., Ltd.*), a company established in the PRC, a wholly-owned subsidiary of the Jinan Project Company and is principally engaged in the investment in, development and operation of the Project
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jinan Project Company”	濟南天冠能源科技有限公司(Jinan Tianguan Energy Technology Co., Ltd.*), a company established in the PRC and principally engaged in investment holding in the PRC
“Jinan Project Group”	the Jinan Project Company and its wholly-owned subsidiary, Dezhou Ganchao
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	mega watts
“PRC”	the People’s Republic of China
“Project”	a 20MW photovoltaic power plant owned by Dezhou Ganchao in Jinan, Shandong Province of the PRC
“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
“Share(s)”	ordinary share(s) in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	西藏興盛信息科技有限責任公司(Xizang Xingsheng Information Technology Co., Ltd*), a company established in the PRC
“%”	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*