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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  
COOPERATION AGREEMENT IN RELATION TO  
THE LIMITED PARTNERSHIP**

**PURCHASE AND SUBSCRIPTION OF LIMITED PARTNER INTEREST IN THE LIMITED PARTNERSHIP**

The Board is pleased to announce that on 30 September 2017, Yanan Fuqin, a wholly-owned subsidiary of the Company, Eagle Investment and Zhuhai Jiuyin entered into the Cooperation Agreement in relation to the Limited Partnership for carrying out investments. It is intended that the Limited Partnership will primarily invest in high-tech, new industries, energy sector and other high growth unlisted enterprises.

Pursuant to the Cooperation Agreement, Yanan Fuqin agreed to purchase capital contribution from the existing partners of the Limited Partnership and to subscribe and make a further capital contribution in the Limited Partnership, such that its capital contributions in the Limited Partnership will total RMB529,000,000. Following the Investment, the total capital contribution in the Limited Partnership will consist of RMB1,000,000 from Zhuhai Jiuyin, as general partner and executive partner and RMB529,000,000 from Yanan Fuqin as junior limited partner. Senior Limited Partner(s) will be introduced into the Limited Partnership, such that the total capital contribution in the Limited Partnership will be RMB3,530,000,000, subject to the actual amounts of capital contributed by the Senior Limited Partner(s). Thereafter, the capital contribution by the Senior Limited Partner(s), Yanan Fuqin and Zhuhai Jiuyin will be RMB3,000,000,000 (subject to actual amounts contributed by the Senior Limited Partner(s)), RMB529,000,000 and RMB1,000,000, respectively.

## **LISTING RULES IMPLICATIONS**

As certain applicable percentage ratio for the Investment exceeds 5% but is less than 25%, the Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Investment is subject to the notification and announcement requirements under the Listing Rules.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

## **PURCHASE AND SUBSCRIPTION OF LIMITED PARTNER INTEREST IN THE LIMITED PARTNERSHIP**

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## **PRINCIPAL TERMS OF THE COOPERATION AGREEMENT**

### **Date**

30 September 2017

### **Parties**

- (1) Eagle Investment, as fund manager
- (2) Zhuhai Jiuyin, as general partner and executive partner
- (3) Yanan Fuqin, as junior limited partner

Yanan Fuqin is a wholly-owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Eagle Investment and Zhuhai Jiuyin and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

## **Purchase and Subscription**

Pursuant to the Cooperation Agreement, Yanan Fuqin agreed to purchase capital contribution from the existing partners of the Limited Partnership and to subscribe and make a further capital contribution in the Limited Partnership, such that its capital contributions to the Limited Partnership will total RMB529,000,000. Following the Investment, the total capital contribution in the Limited Partnership will consist of RMB1,000,000 from Zhuhai Jiuyin, as general partner and executive partner, and RMB529,000,000 from Yanan Fuqin as junior limited partner.

The Investment was determined after arm's length negotiations between Yanan Fuqin, Eagle Investment and Zhuhai Jiuyin on normal commercial terms, with reference to, among others, the projected capital requirements of the Limited Partnership. The Investment will be funded by the internal resources of the Group.

Pursuant to the Cooperation Agreement, Senior Limited Partner(s) will be invited into the Limited Partnership, such that the total capital contribution in the Limited Partnership will be RMB3,530,000,000, subject to the actual amounts of capital contributed by the Senior Limited Partner(s). Thereafter, the capital contribution by the Senior Limited Partner(s), Yanan Fuqin and Zhuhai Jiuyin will be RMB3,000,000,000 (subject to actual amounts contributed by the Senior Limited Partner(s)), RMB529,000,000 and RMB1,000,000, respectively.

After the Senior Limited Partner(s) has entered into the Limited Partnership, Yanan Fuqin will enter into a partnership agreement with the Senior Limited Partner(s), Zhuhai Jiuyin and Eagle Investment.

Upon completion of the Investment, Yanan Fuqin's investment in the Limited Partnership will be accounted for as other investments of the Group and its financial results will not be consolidated into the consolidated financial statements of the Group.

## **Business Scope of the Limited Partnership**

The Limited Partnership was established on 9 August 2016 in Taizhou, Zhejiang Province, the PRC. The Limited Partnership is mainly engaged in, among other things, investments in high-tech, new industries, energy sector and other high growth unlisted enterprises. The Limited Partnership will primarily make investments through equity investments.

Until the Senior Limited Partner(s) has entered into the Limited Partnership, without the consent of the limited partner (i.e. Yanan Fuqin), the Limited Partnership cannot engage in any operations, and must not incur any profit or loss (except for relevant expenses incurred which are necessary for the registration of the Limited Partnership), otherwise Zhuhai Jiuyin will be liable for any losses.

If Senior Limited Partner(s) are not introduced into the Limited Partnership, upon a payment of RMB200,000 (as administration charges) to Eagle Investment, Yanan Fuqin has the right to withdraw its further capital contribution transfer the capital contribution purchased from existing partners to a third party appointed by Eagle Investment and withdraw from the Limited Partnership.

## **Term of the Limited Partnership**

The term of the Limited Partnership shall be twenty (20) years from the date of establishment (i.e. 9 August 2016 to 8 August 2036).

## **Management of the Limited Partnership**

Eagle Investment, as fund manager, is responsible for obligations under relevant laws and regulations, including making registrations, filings and procedures with relevant authorities, responding to Yanan Fuqin's inquiries and coordinating the negotiation and execution of agreements between investors, target investment enterprises, third party institutions and other parties.

Zhuhai Jiuyin, as general partner and executive partner, is responsible for day-to-day management and operations as well as administrative work of the Limited Partnership.

The Limited Partnership shall have an investment decision committee whose membership is nominated by Eagle Investment prior to the entry of the Senior Limited Partner(s) into the Limited Partnership, and nominated by the Senior Limited Partner(s), junior limited partner and general partner after the Senior Limited Partner(s) has entered into the Limited Partnership. The investment decision committee is responsible for, among other things, review and approval of investment targets, scope, size and timing, as well as the acquisition, possession, management, maintenance and disposal of investment assets.

## **Profit Distribution and Loss Sharing**

The profits of the Limited Partnership shall be distributed to its partners based on the decision of the Limited Partnership's investment decision committee. The losses incurred by the Limited Partnership shall be borne by the assets of the Limited Partnership, and if the assets of the Limited Partnership are insufficient to cover such losses, limited partners are liable for such losses up to their respective capital contributions.

As the Limited Partnership cannot engage in any operations, and must not incur any profit or loss, without Yanan Fuqin's consent prior to the entry of the Senior Limited Partner(s), the Company does not expect any material profit or loss prior to the entry of the Senior Limited Partner(s) into the Limited Partnership.

## **Management Fee**

After the Senior Limited Partner(s) entered into the Limited Partnership, the Limited Partnership shall pay Eagle Investment annual management fees at (the "**Management Fees**") 0.38% per annum of the actual aggregate capital contributions of the partners to the Limited Partnership. Eagle Investment shall not collect performance-based compensation.

The Management Fees shall be calculated based on the actual number of days of which Eagle Investment has provided management services to the Limited Partnership.

The Management Fees were arrived upon arm's length negotiation between the parties with reference to (i) the market rate of management fee payable for provision of similar services for limited partnerships of similar size and nature of the Limited Partnership; (ii) the investment management and administrative services expected to be provided by Eagle Investment to the Limited Partnership; and (iii) the terms of the Limited Partnership.

## **REASONS FOR AND BENEFITS OF THE INVESTMENT**

The Limited Partnership will mainly be engaged in, among other things, investment in high-tech, new industries, energy sector and other high growth unlisted enterprises. The Directors are of the view that, through the Limited Partnership, the Group will be able to benefit from attractive investment opportunities in these industries. The Investment allows the Group to maximise the use of its funds with the aim of obtaining satisfactory return. In addition, one of the investment objectives of the Limited Partnership is to invest in the energy industry, which includes solar power plant projects. As a limited partner, the Group could introduce its solar power plant projects to the investment decision committee of the Limited Partnership, which in turn provides a chance for an additional source of funding for the Group's solar power plant projects.

The Directors are of the view that the terms of the Cooperation Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

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

Eagle Investment is a limited liability company established in the PRC in 2010 and is principally engaged in fund management in the PRC. Eagle Investment has a strong shareholder base, which includes well-known investment institutions, such as 廣州市粵豐創業投資有限公司 (Guangzhou Yuefeng Venture Investment Co., Ltd\*), Guangdong Weihua Group Company Ltd. and 特華投資控股有限公司 (Tehua Investment Holding Co., Ltd\*). The management team of Eagle Investment is comprised of experts with who have extensive experience in securities, bank, insurance, trust and equity fund. Based on the public information available to the Company, Eagle Investment manages funds with a portfolio of more than RMB10 billion. Eagle Investment currently possesses various qualifications, including the member of the Securities Association of China, the first batch of special members of asset management of the Asset Management Association of China, the member of the China Association for Public Companies, the member of the Insurance Asset Management Association of China, the founding member and standing council member of the secondary market union of 全國股權投資機構 (National Equity Investment Institution\*) and the vice chairman of the technological and financial joint meeting of 全國股權投資機構 (National Equity Investment Institution\*).

Zhuhai Jiuyin is a limited liability company established in the PRC in 2013 and is principally engaged in fund management in the PRC. Zhuhai Jiuyin is a wholly-owned subsidiary of Eagle Investment and registered as a private fund manager in the Asset Management Association of China in 2014.

## **LISTING RULES IMPLICATIONS**

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## **DEFINITIONS**

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

“Board”	the board of Directors
“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(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 30 September 2017 between Eagle Investment, Zhuhai Jiuyin and Yanan Fuqin
“Director(s)”	the director(s) of the Company
“Eagle Investment”	Eagle Investment Holdings Co., Ltd., a company established in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment”	the purchase of capital contribution from the existing partners and the subscription of further capital contribution by Yanan Fuqin in the Limited Partnership pursuant to the Cooperation Agreement amounting to RMB529,000,000

“Limited Partnership”	台州久安股權投資合伙企業（有限合伙）(Taizhou Jiuan Equity Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Senior Limited Partner(s)”	senior limited partner(s) to be invited by the Limited Partnership and to be entered into the Limited Partnership
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yanan Fuqin”	延安富秦清潔能源有限公司 (Yanan Fuqin Clean Energy Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of the Company
“Zhuhai Jiuyin”	珠海久銀股權投資基金管理有限公司 (Zhuhai Jiuyin Equity Investment Fund Management Co., Ltd.*), a company established in the PRC

By order of the Board  
**Kong Sun Holdings Limited**  
**Mr. Zeng Jianhua**  
*Executive Director*

Hong Kong, 30 September 2017

*As of the date of this announcement, the Board comprises four executive Directors, Mr. Zeng Jianhua, Mr. Jin Yanbing, Mr. Deng Chengli and Mr. Hou Yue, one non-executive Director, Mr. Yuen Kin, and three independent non-executive Directors, Mr. Miu Hon Kit, Mr. Chen Kin Shing and Ms. Wang Fang.*

\* *For identification purposes only*