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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 JINTA PROJECT COMPANY**

THE JINTA ACQUISITION

The Board is pleased to announce that on 14 November 2017 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Jinta 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 Jinta Project Company; and (ii) the Purchaser agreed to assume the Jinta Assumed Liabilities.

Upon completion of the Jinta Acquisition, the Jinta Project Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As the Previous Acquisition Agreements (the details of which were disclosed in the Previous Announcements) and the Jinta Acquisition Agreement are entered into by the Group with the same party and are expected to complete within a 12-month period, the Previous Acquisitions and the Jinta Acquisition will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Jinta Acquisition, when aggregated with the Previous Acquisitions, exceeds 5% and all the applicable percentage ratios are less than 25%, the transactions contemplated under the Jinta Acquisition Agreement constitute a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

THE JINTA ACQUISITION

On 14 November 2017 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Jinta 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 Jinta Project Company; and (ii) the Purchaser agreed to assume the Jinta Assumed Liabilities.

The principal terms of the Jinta Acquisition Agreement are summarised as follows:

PRINCIPAL TERMS OF THE JINTA ACQUISITION AGREEMENT

Date

14 November 2017 (after trading hours of the Stock Exchange)

Parties

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

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 and its ultimate beneficial owner is a third party independent of the Company and connected persons of the Company.

Subject matter

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

Upon completion of the Jinta Acquisition, the Jinta Project Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

Conditions precedent

Execution of the Jinta Acquisition Agreement was subject to and conditional upon fulfilment of all necessary internal approval and authorisation procedures of the Vendor and the Purchaser for the transfer of equity interest under the Jinta Acquisition Agreement.

Consideration

The aggregate consideration for the Jinta Acquisition is RMB110,384,900, which comprises of:

- (i) an amount of RMB37,484,400 as cash consideration payable to the Vendor for the transfer of the entire equity interest in the Jinta Project Company (the "**Cash Consideration**"); and
- (ii) an amount of RMB72,900,500, being the aggregate amount of the Jinta Assumed Liabilities, which will be assumed by the Purchaser upon completion of the Jinta Acquisition.

The Cash Consideration shall be settled in full by the Purchaser by way of one-off payment within thirty (30) days from the date of signing of the Jinta Acquisition Agreement (the "**Payment Date**"). The remaining consideration shall be settled by the Purchaser after completion of the Jinta Acquisition.

The aggregate consideration for the Jinta 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.

The consideration for the Jinta Acquisition was determined after arm's length negotiations between the Purchaser and the Vendor after taking into account the unaudited net asset value and total asset value of the Jinta Project Company as at 31 July 2017. The Directors (including the independent non-executive Directors) consider that the consideration for the Jinta Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

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

The Vendor was established in the PRC which is principally engaged in the investment in and development of solar power plants in the PRC.

The Jinta Project Company was established in the PRC on 27 February 2012. As at the date of the Jinta Acquisition Agreement, the Jinta Project Company is wholly-owned by the Vendor. The Jinta Project Company is principally engaged in the investment in, development and operation of the Jinta Project. As at the date of this announcement, the construction of the Jinta Project has been completed and the power plant is connected to the power grid.

The financial information of the Jinta Project Company as extracted from its unaudited management accounts is summarised as follows:

	For the year ended 31 December 2015 (Unaudited) RMB	For the year ended 31 December 2016 (Unaudited) RMB	For the period from 1 January 2017 to 31 July 2017 (Unaudited) RMB
Net (loss)/profit before taxation	(1,095,000)	(1,521,000)	546,000
Net (loss)/profit after taxation	<u>(1,095,000)</u>	<u>(1,521,000)</u>	<u>546,000</u>

The unaudited net asset value and total asset value of the Jinta Project Company as at 31 July 2017 were approximately RMB48,763,000 and RMB121,663,000, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JINTA ACQUISITION AGREEMENT

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

The Directors are of the view that the Jinta Acquisition is in line with the business objectives of the Company and signifies the furtherance of the Group's initiative into the solar power sector in the PRC, thereby presenting opportunities for the Group's long term development.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Jinta Acquisition Agreement has been entered into on normal commercial terms and is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Previous Acquisition Agreements (the details of which were disclosed in the Previous Announcements) and the Jinta Acquisition Agreement are entered into by the Group with the same party and are expected to complete within a 12-month period, the Previous Acquisitions and the Jinta Acquisition will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Jinta Acquisition, when aggregated with the Previous Acquisitions, exceeds 5% and all the applicable percentage ratios are less than 25%, the transactions contemplated under the Jinta Acquisition Agreement constitute a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

DEFINITIONS

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

“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
“Datong Project Company”	大同市皖銅新能源有限公司 (Datong Wantong New Energy Co., Ltd.*), a company established in 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 People’s Republic of China
“Jiayuguan Project Company”	嘉峪關協合新能源有限公司 (Jiayuguan Xiehe New Energy Co. Ltd.*), a company established in the PRC
“Jinta Acquisition”	the acquisition of the entire equity interest in the Jinta Project Company and the assumption of the Jinta Assumed Liabilities pursuant to the terms of the Jinta Acquisition Agreement
“Jinta Acquisition Agreement”	the acquisition agreement dated 14 November 2017 entered into between the Purchaser and the Vendor in respect of the Jinta Acquisition
“Jinta Assumed Liabilities”	100% of the aggregate debts and liabilities incurred by the Jinta Project Company as at 31 July 2017, in the amount of RMB72,900,500

“Jinta Project”	a 9 MW solar power plant owned by the Jinta Project Company in Jinta County, Gansu Province of the PRC
“Jinta Project Company”	金塔縣永嘉新能源有限公司 (Jinta Yongjia New Energy Co., Ltd.*), a company established in the PRC
“Lintan Project Company”	臨潭天朗新能源科技有限公司 (Lintan Tianlang New Energy Technology Co., Ltd.*), a company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Liyang Project Company”	溧陽新暉光伏發電有限公司 (Liyang Xinhui Photovoltaic Power Generation Co., Ltd.*), a company established in the PRC
“MW”	mega watts
“Pingshan Project Company”	平山縣天匯能源科技有限公司 (Pingshan Tianhui Energy Technology Co., Ltd.*), a company established in the PRC
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Acquisitions”	the acquisitions of the Datong Project Company, the Pingshan Project Company, the Liyang Project Company, the Jiayuguan Project Company and the Lintan Project Company as set forth in the Previous Announcements
“Previous Acquisition Agreements”	the acquisition agreements in relation to each of the Previous Acquisitions as set forth in the Previous Announcements

“Previous Announcements”	the announcements of the Company dated 30 March 2017 and 15 June 2017 in relation to the acquisitions of the Datong Project Company, the Pingshan Project Company and the Liyang Project Company, and the acquisitions of the Jiayuguan Project Company and the Lintan Project Company, respectively
“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
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	北京華源鴻盛能源科技有限公司 (Beijing Huayuan Hongsheng Energy Technology Co., Ltd.*), a company established in the PRC
“%”	per cent.

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

Hong Kong, 14 November 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, two non-executive Directors, Mr. Wu Tak Kong and Mr. Wang Ke, and three independent non-executive Directors, Mr. Miu Hon Kit, Mr. Chen Kin Shing and Ms. Wang Fang.

* For identification purposes only