

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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**” and together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in 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 Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

STRATEGIC CO-OPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 20 November 2015, the Company entered into a strategic co-operation agreement (the “**Agreement**”) with 華夏金融租賃有限公司 (Huaxia Financial Leasing Co., Ltd.*) (“**Huaxia**”) pursuant to which Huaxia has in principle agreed to provide financing, of up to an aggregate amount of RMB3 billion, to the Group for the development of and future acquisitions of photovoltaic power system projects by the Group, subject to signing definitive agreements with respect to the specific projects. The major terms of the Agreement are as follows:

Date: 20 November 2015

Parties: the Company and Huaxia

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Huaxia and its ultimate beneficial owners are independent of the Company and its connected persons.

Term of Agreement: 20 November 2015 to 19 November 2020

Scope of co-operation:

Subject to entering into definitive agreements, the parties agreed to:

1. the provision of general financial services by Huaxia to cater for the financial needs of the Company;
2. the provision of credit and financing services by Huaxia to the Company, including but not limited to, finance leasing facilities; and
3. co-invest in the acquisition of power plants, such that Huaxia will have priority in providing funding, subject to meeting Huaxia's internal control requirements, during the construction stage of a proposed acquisition project.

FINANCE LEASE AGREEMENTS

The below table sets out the finance lease agreements which have been entered into between the wholly-owned subsidiaries of the Company, as lessees, and Huaxia, as lessor. The finance lease agreements involve (i) the transfer of the solar power plant assets and relevant components owned by the lessees, as leased assets, to Huaxia for a consideration; and (ii) the leaseback of the leased assets to the lessees for a term of 10 years. The interest rate payable by the relevant lessees to the lessor was agreed to be 15% above the benchmark interest rate of five-year term loan published by the People's Bank of China as determined on the day of payment of the consideration by Huaxia. The Group has guaranteed the obligations of each of the lessees and has procured to charge the entire equity interests of the relevant lessee to Huaxia as security.

Date of finance lease agreements	Lessor	Lessee	Finance lease amount
12 November 2015	Huaxia	和靜旭雙太陽能科技有限公司 (Hejing Xushuang Photovoltaic Technology Co., Ltd.*)	RMB120,000,000
20 November 2015	Huaxia	阿圖什市華光能源有限公司 (Artux Huaguang Energy Co., Ltd.*)	RMB180,000,000
20 November 2015	Huaxia	阿圖什市興光能源有限公司 (Artux Xingguang Energy Co., Ltd.*)	RMB180,000,000
Subtotal			<u>RMB480,000,000^(Note)</u>

Note: The total finance lease amount of RMB480 million shall be accounted for in the aggregate maximum financing amount of RMB3 billion under the Agreement.

INFORMATION ABOUT THE COMPANY

The Company is principally engaged in properties investment, manufacturing and sale of life-like plants, and investment in and development of photovoltaic power plants in the People's Republic of China (the "PRC").

INFORMATION ON HUAXIA

Huaxia is a nationwide financial leasing company which was established jointly by 華夏銀行股份有限公司 (Hua Xia Bank Co., Ltd.*) and 昆明產業開發投資有限責任公司 (Kunming Industrial Development & Investment Co., Ltd.*) in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Company has since late April 2014 entered into a number of memoranda of understanding and agreements for the development of photovoltaic power plants in the PRC. The Board considers that the entering into of the Agreement would provide certainty in the future financing of the Group and the finance lease arrangements would enhance the working capital position of the Group by leveraging the Group's assets, which would in turn facilitate the business development of the Group.

The terms under the Agreement and the individual finance lease agreements have been agreed after arm's length negotiations between the relevant parties with reference to the prevailing market practice. The Directors consider that the terms of the Agreement and the individual finance lease agreements 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 Agreement is subject to signing 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.

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

Hong Kong, 20 November 2015

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*