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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
ASSET MANAGEMENT AGREEMENT

The Board announces that on 3 January 2017 (after trading hours), Kong Sun Yongtai (a wholly-owned subsidiary of the Company), as Trustor, entered into the Asset Management Agreement with Xinhua FTSE Asset Management as Manager and China Bohai Bank as Trustee in relation to the investment and management of the Entrusted Assets.

Pursuant to the Asset Management Agreement, Kong Sun Yongtai has agreed to entrust a total amount of not exceeding RMB1 billion as the Entrusted Assets.

As one or more of the applicable percentage ratios in respect of the Asset Management Agreement are more than 5% but less than 25%, the Asset Management Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ASSET MANAGEMENT AGREEMENT

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A summary of the principal terms of the Asset Management Agreement is set out as follows:

- Date: 3 January 2017 (after trading hours)
- Parties to the Asset Management Agreement:
- (1) Kong Sun Yongtai, a wholly-owned subsidiary of the Company, as the Trustor;
 - (2) Xinhua FTSE Asset Management as the Manager; and
 - (3) China Bohai Bank as the Trustee.
- Investment amount: Up to a maximum amount of not exceeding RMB1 billion. The actual amount to be invested by the Company will be in accordance with the amount to be stated in the notice for commencement of operations of the Entrusted Assets under the Asset Management Agreement. The investment amount to be invested by the Company pursuant to the Asset Management Agreement will be funded by internal resources of the Group.
- Investment scope: Pursuant to the Asset Management Agreement, the Manager shall manage and invest the Entrusted Assets for investments limited to (1) bank deposits; (2) debt assets; (3) equity financing with repurchase provisions; and (4) other investment types stipulated by the China Securities Regulatory Commission.
- Term: Three (3) months from the date of commencement of operations of the Entrusted Assets, being the date of depositing the Entrusted Assets into the designated account with China Bohai Bank.
- Fees: The Company shall pay, among other fees and charges, an asset management fee to the Manager of 0.4% per annum on the Entrusted Assets. The asset management fee shall be paid in one lump sum within three (3) Business Days of the termination of the Asset Management Agreement.

The Company shall also pay a custodian fee to the Trustee of 0.01% per annum on the Entrusted Assets. The custodian fee shall be paid in lump sum within three (3) Business Days of the termination of the Asset Management Agreement.

Governing Law: PRC Law.

GUARANTEED RATE OF RETURN ON THE ENTRUSTED ASSETS UNDER THE ASSET MANAGEMENT AGREEMENT

In connection with the entering of the Asset Management Agreement, the Guarantor, a major shareholder of the Manager, has entered into the Letter of Guarantee with Kong Sun Yongtai under which the Guarantor guarantees that the rate of return on the Entrusted Assets under the Asset Management Agreement will be not less than 9.0% per annum, and the Guarantor shall fully cover Kong Sun Yongtai if the actual returns on the Entrusted Assets fall short of 9.0% per annum.

REASONS FOR AND BENEFITS OF THE TRANSACTION

By entering into the Asset Management Agreement and entrusting funds in accordance therewith together with the protection given under the Letter of Guarantee, the Company intends to increase the rate of return of its capital which can improve the investment return and the other income of the Company. The Directors are therefore of the view that the terms of the Asset Management Agreement and entrusting funds in accordance therewith are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON XINHUA FTSE ASSET MANAGEMENT

Xinhua FTSE Asset Management is a company incorporated in the PRC with limited liability and is approved by the China Securities Regulatory Commission to engage in client asset management business. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Xinhua FTSE Asset Management and its ultimate beneficial owners are Independent Third Parties. The principal business of Xinhua FTSE Asset Management includes, but not limited to, the establishment and issuance of asset management plans for clients.

INFORMATION ON CHINA BOHAI BANK

China Bohai Bank is a national joint-stock commercial bank established under the laws of the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, China Bohai Bank and its ultimate beneficial owners are Independent Third Parties. China Bohai Bank is principally engaged in the provision of a range of banking services and related financial services.

INFORMATION ON THE GUARANTOR

The Guarantor is a company incorporated in the PRC with limited liability and is principally engaged in investment holding and information system businesses in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Guarantor and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE GROUP

The Group is principally engaged in the investment in and development of photovoltaic power plants and trading of equipment related to photovoltaic power stations, property investment, and trading of life-like plants in the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Asset Management Agreement are more than 5% but less than 25%, the Asset Management Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Asset Management Agreement”	the asset management agreement dated 3 January 2017 entered into between Kong Sun Yongtai, the Manager and the Trustee;
“Board”	the board of Directors;

“Business Day(s)”	a normal trading day of Kong Sun Yongtai, the Manager and the Trustee;
“China Bohai Bank”	渤海銀行股份有限公司 (China Bohai Bank Company Limited*);
“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;
“Director(s)”	the director(s) of the Company;
“Entrusted Assets”	the entrusted assets of an amount of not more than RMB1 billion to be entrusted by the Company under the Asset Management Agreement;
“Group”	the Company and its subsidiaries;
“Guarantor”	上海珊瑚礁信息系統有限公司 (Shanghai Reefs Information System Company Limited*)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Parties”	party(ies) who, together with his/her ultimate beneficial owner(s) is/are persons independent of the Company and its connected persons;
“Letter of Guarantee”	the letter of guarantee dated 3 January 2017 entered into between Kong Sun Yongtai and the Guarantor;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Manager”	Xinhua FTSE Asset Management;

“PRC”	The People’s Republic of China;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trustee”	China Bohai Bank;
“Trustor” or “Kong Sun Yongtai”	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; and
“Xinhua FTSE Asset Management”	北京新華富時資產管理有限公司 (Beijing Xinhua FTSE Asset Management Company Limited*).

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

Hong Kong, 3 January 2017

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 only*