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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)

INSIDE INFORMATION – REDUCTION IN LOSS

This announcement is made by Kong Sun Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 Listing Rules.

The board of directors (the “**Director(s)**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2022 (the “**Period**”), the Group is expected to record a net loss in the range of approximately RMB200,000,000 to RMB300,000,000 for the Period as compared to a net loss of approximately RMB935,339,000 for the year ended 31 December 2021.

The expected change in the net loss of the Group for the Period was primarily attributable to a combination of the following factors:

1. a decrease in gross profit of approximately RMB300,000,000 due to a decrease in the sales of electricity during the Period;
2. a decrease in finance costs of approximately RMB310,000,000 due to a decrease in total borrowings during the Period;
3. a decrease in impairment loss on a disposal group classified as held for sale of approximately RMB80,000,000;
4. a decrease in loss on disposal of subsidiaries, net of approximately RMB480,000,000; and
5. a decrease in administrative expenses of approximately RMB100,000,000.

The Company is still in the process of finalising the annual results of the Group for the Period. The information contained in this announcement is only a preliminary assessment by the management of the Company based on information currently available to the Company, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company nor approved by the audit committee of the Company. The actual results of the Group for the Period may be different from the financial information disclosed herein.

Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the Period, which is expected to be published before the end of March 2023. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kong Sun Holdings Limited
Mr. Jiang Hengwen
Chairman and non-executive Director

Hong Kong, 23 March 2023

As of the date of this announcement, the Board comprises two executive Directors, Mr. Wang Shaoyuan and Mr. Xian He, one non-executive Director, Mr. Jiang Hengwen, and three independent non-executive Directors, Ms. Tang Yinghong, Ms. Wu Wennan and Mr. Xu Xiang.