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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)**

**MAJOR TRANSACTION  
FINANCE LEASE ARRANGEMENTS**

**THE FINANCE LEASE AGREEMENT I**

On 28 April 2023, Suzhou Xuqiang, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement I, pursuant to which Hebei Financial Leasing shall purchase the Leased Assets I from Suzhou Xuqiang for a total consideration of RMB80,000,000. The Leased Assets I would then be leased back to Suzhou Xuqiang for a term of 10 years. The legal ownership of the Leased Assets I under the Finance Lease Agreement I will be vested in Hebei Financial Leasing throughout the lease period. At the end of the lease period and subject to payments by Suzhou Xuqiang of all amounts due under the Finance Lease Agreement I, the legal ownership of the Leased Assets I will be vested in Suzhou Xuqiang at nil consideration.

**THE FINANCE LEASE AGREEMENT II**

On 28 April 2023, Huangshi Huangyuan, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement II, pursuant to which Hebei Financial Leasing shall purchase the Leased Assets II from Huangshi Huangyuan for a total consideration of RMB90,000,000. The Leased Assets II would then be leased back to Huangshi Huangyuan for a term of 10 years. The legal ownership of the Leased Assets II under the Finance Lease Agreement II will be vested in Hebei Financial Leasing throughout the lease period. At the end of the lease period and subject to payments by Huangshi Huangyuan of all amounts due under the Finance Lease Agreement II, the legal ownership of the Leased Assets II will be vested in Huangshi Huangyuan at nil consideration.

### **THE FINANCE LEASE AGREEMENT III**

On 28 April 2023, Feixi Zhonghui, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement III, pursuant to which Hebei Financial Leasing shall purchase the Leased Assets III from Feixi Zhonghui for a total consideration of RMB100,000,000. The Leased Assets III would then be leased back to Feixi Zhonghui for a term of 10 years. The legal ownership of the Leased Assets III under the Finance Lease Agreement III will be vested in Hebei Financial Leasing throughout the lease period. At the end of the lease period and subject to payments by Feixi Zhonghui of all amounts due under the Finance Lease Agreement III, the legal ownership of the Leased Assets III will be vested in Feixi Zhonghui at nil consideration.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreements is more than 25% but all of the applicable percentage ratios are lower than 75%, the entering into of the Finance Lease Agreements constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and the Finance Lease Arrangements are therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Finance Lease Arrangements. A circular containing, among other things, further details of the Finance Lease Arrangements, the notice convening the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2023 as additional time is required to prepare the information to be included in the circular.

### **THE FINANCE LEASE AGREEMENT I**

On 28 April 2023, Suzhou Xuqiang, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement I, pursuant to which Hebei Financial Leasing shall purchase the Leased Assets I from Suzhou Xuqiang for a total consideration of RMB80,000,000. The Leased Assets I would then be leased back to Suzhou Xuqiang for a term of 10 years. The legal ownership of the Leased Assets I under the Finance Lease Agreement I will be vested in Hebei Financial Leasing throughout the lease period. At the end of the lease period and subject to payments by Suzhou Xuqiang of all amounts due under the Finance Lease Agreement I, the legal ownership of the Leased Assets I will be vested in Suzhou Xuqiang at nil consideration.

A summary of the principal terms of the Finance Lease Agreement I is set out below:

## **Sale and purchase arrangements and consideration**

Pursuant to the Finance Lease Agreement I, Hebei Financial Leasing would purchase the Leased Assets I from Suzhou Xuqiang for a total consideration of RMB80,000,000. The consideration would be payable in cash by Hebei Financial Leasing to Suzhou Xuqiang, which was determined after arm's length negotiations between parties to the Finance Lease Agreement I by reference to the prevailing market price of the Leased Assets I.

The total consideration would be payable by Hebei Financial Leasing in full after the fulfillment of certain conditions precedent as set out in the Finance Lease Agreement I.

## **Conditions precedent**

Under the Finance Lease Agreement I, the total consideration would be payable by Hebei Financial Leasing to Suzhou Xuqiang after fulfillment of the following conditions precedent, which are waivable by Hebei Financial Leasing (save for the condition in (a) below):

- (a) Suzhou Xuqiang having obtained and produced the internal approvals documents (including approval by the Shareholders and the Board) for the Finance Lease Agreement I and the transactions contemplated thereunder in accordance with its articles of association;
- (b) Suzhou Xuqiang or other guarantors having executed the security documents for the Finance Lease Agreement I and completed the relevant registration procedures (if necessary);
- (c) Hebei Financial Leasing, with the assistance of Suzhou Xuqiang, having completed the relevant registration procedures of the Finance Lease Agreement I and the transactions contemplated thereunder at the relevant competent PRC authorities;
- (d) Hebei Financial Leasing having received all relevant documentary evidence showing that the Leased Assets I have been insured in accordance with the requirements under the Finance Lease Agreement I;
- (e) Hebei Financial Leasing having received from Suzhou Xuqiang the relevant invoice specifying the payment details; and
- (f) other conditions considered necessary by Hebei Financial Leasing.

## **Lease back arrangements**

Pursuant to the Finance Lease Agreement I, Hebei Financial Leasing agreed to lease the Leased Assets I back to Suzhou Xuqiang for a term of 10 years.

## **Lease payments**

Pursuant to the Finance Lease Agreement I, the total estimated aggregate lease payments payable by Suzhou Xuqiang to Hebei Financial Leasing shall be approximately RMB105,766,000 in 40 quarterly instalments, being the principal lease cost of RMB80,000,000 plus the estimated aggregate interest of approximately RMB25,766,000. The estimated interests are calculated at a rate of 5.85% determined with reference to the LPR on 20 March 2023 at 4.3% plus 155 basis point. The lease interest rate shall be adjusted on 20th July of each calendar year during the lease period by reference to the corresponding change of the most recent LPR before the adjustment date. Suzhou Xuqiang intends to finance the total lease payments by using the Group's internal resources.

The obligations of Suzhou Xuqiang under the Finance Lease Agreement I shall be secured by a corporate guarantee from Kong Sun Yongtai and the Pledges I in favour of Hebei Financial Leasing.

## **Ownership of the Leased Assets I**

During the lease period, the legal ownership of the Leased Assets I under the Finance Lease Agreement I will be vested in Hebei Financial Leasing and Suzhou Xuqiang will have the rights to use the Leased Assets I. At the end of the lease period and subject to payments by Suzhou Xuqiang of all amounts due under the Finance Lease Agreement I, the legal ownership of the Leased Assets I will be vested in Suzhou Xuqiang at nil consideration.

The estimated aggregate lease payments under the Finance Lease Agreement I were determined after arm's length negotiations between the parties to the Finance Lease Agreement I with reference to the principal amounts of the lease or the consideration for the Leased Assets I under the Finance Lease Agreement I and the prevailing market interest rate for finance lease of comparable assets.

## **THE FINANCE LEASE AGREEMENT II**

On 28 April 2023, Huangshi Huangyuan, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement II, pursuant to which Hebei Financial Leasing shall purchase the Leased Assets II from Huangshi Huangyuan for a total consideration of RMB90,000,000. The Leased Assets II would then be leased back to Huangshi Huangyuan for a term of 10 years. The legal ownership of the Leased Assets II under the Finance Lease Agreement II will be vested in Hebei Financial Leasing throughout the lease period. At the end of the lease period and subject to payments by Huangshi Huangyuan of all amounts due under the Finance Lease Agreement II, the legal ownership of the Leased Assets II will be vested in Huangshi Huangyuan at nil consideration.

A summary of the principal terms of the Finance Lease Agreement II is set out below:

### **Sale and purchase arrangements and consideration**

Pursuant to the Finance Lease Agreement II, Hebei Financial Leasing would purchase the Leased Assets II from Huangshi Huangyuan for a total consideration of RMB90,000,000. The consideration would be payable in cash by Hebei Financial Leasing to Huangshi Huangyuan, which was determined after arm's length negotiations between parties to the Finance Lease Agreement II by reference to the prevailing market price of the Leased Assets II.

The total consideration would be payable by Hebei Financial Leasing in full after the fulfillment of certain conditions precedent as set out in the Finance Lease Agreement II.

### **Conditions precedent**

Under the Finance Lease Agreement II, the total consideration would be payable by Hebei Financial Leasing to Huangshi Huangyuan after fulfillment of the following conditions precedent, which are waivable by Hebei Financial Leasing (save for the condition in (a) below):

- (a) Huangshi Huangyuan having obtained and produced the internal approvals documents (including approval by the Shareholders and the Board) for the Finance Lease Agreement II and the transactions contemplated thereunder in accordance with its articles of association;
- (b) Huangshi Huangyuan or other guarantors having executed the security documents for the Finance Lease Agreement II and completed the relevant registration procedures (if necessary);
- (c) Hebei Financial Leasing, with the assistance of Huangshi Huangyuan, having completed the relevant registration procedures of the Finance Lease Agreement II and the transactions contemplated thereunder at the relevant competent PRC authorities;
- (d) Hebei Financial Leasing having received all relevant documentary evidence showing that the Leased Assets II have been insured in accordance with the requirements under the Finance Lease Agreement II;
- (e) Hebei Financial Leasing having received from Huangshi Huangyuan the relevant invoice specifying the payment details; and
- (f) other conditions considered necessary by Hebei Financial Leasing.

## **Lease back arrangements**

Pursuant to the Finance Lease Agreement II, Hebei Financial Leasing agreed to lease the Leased Assets II back to Huangshi Huangyuan for a term of 10 years.

## **Lease payments**

Pursuant to the Finance Lease Agreement II, the total estimated aggregate lease payments payable by Huangshi Huangyuan to Hebei Financial Leasing shall be approximately RMB120,010,000 in 40 quarterly instalments, being the principal lease cost of RMB90,000,000 plus the estimated aggregate interest of approximately RMB30,010,000. The estimated interests are calculated at a rate of 5.85% determined with reference to the LPR on 20 March 2023 at 4.3% plus 155 basis point. The lease interest rate shall be adjusted on 20th July of each calendar year during the lease period by reference to the corresponding change of the most recent LPR before the adjustment date. Huangshi Huangyuan intends to finance the total lease payments by using the Group's internal resources.

The obligations of Huangshi Huangyuan under the Finance Lease Agreement II shall be secured by a corporate guarantee from Kong Sun Yongtai and the Pledges II in favour of Hebei Financial Leasing.

## **Ownership of the Leased Assets II**

During the lease period, the legal ownership of the Leased Assets II under the Finance Lease Agreement II will be vested in Hebei Financial Leasing and Huangshi Huangyuan will have the rights to use the Leased Assets II. At the end of the lease period and subject to payments by Huangshi Huangyuan of all amounts due under the Finance Lease Agreement II, the legal ownership of the Leased Assets II will be vested in Huangshi Huangyuan at nil consideration.

The estimated aggregate lease payments under the Finance Lease Agreement II were determined after arm's length negotiations between the parties to the Finance Lease Agreement II with reference to the principal amounts of the lease or the consideration for the Leased Assets II under the Finance Lease Agreement II and the prevailing market interest rate for finance lease of comparable assets.

## **THE FINANCE LEASE AGREEMENT III**

On 28 April 2023, Feixi Zhonghui, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement III, pursuant to which Hebei Financial Leasing shall purchase the Leased Assets III from Feixi Zhonghui for a total consideration of RMB100,000,000. The Leased Assets III would then be leased back to Feixi Zhonghui for a term of 10 years. The legal ownership of the Leased Assets III under the Finance Lease Agreement III will be vested in Hebei Financial Leasing throughout the lease period. At the end of the lease period and subject to payments by Feixi Zhonghui of all amounts due under the Finance Lease Agreement III, the legal ownership of the Leased Assets III will be vested in Feixi Zhonghui at nil consideration.

A summary of the principal terms of the Finance Lease Agreement III is set out below:

### **Sale and purchase arrangements and consideration**

Pursuant to the Finance Lease Agreement III, Hebei Financial Leasing would purchase the Leased Assets III from Feixi Zhonghui for a total consideration of RMB100,000,000. The consideration would be payable in cash by Hebei Financial Leasing to Feixi Zhonghui, which was determined after arm's length negotiations between parties to the Finance Lease Agreement III by reference to the prevailing market price of the Leased Assets III.

The total consideration would be payable by Hebei Financial Leasing in two tranches after the fulfillment of certain conditions precedent as set out in the Finance Lease Agreement III.

### **Conditions precedent**

Under the Finance Lease Agreement III, the first tranche of the consideration in the amount of not exceeding approximately RMB50,470,000 would be payable by Hebei Financial Leasing to Feixi Zhonghui after fulfillment of the following conditions precedent, which are waivable by Hebei Financial Leasing (save for the condition in (a) below):

- (a) Feixi Zhonghui having obtained and produced the internal approvals documents (including approval by the Shareholders and the Board) for the Finance Lease Agreement III and the transactions contemplated thereunder in accordance with its articles of association;
- (b) Feixi Zhonghui or other guarantors having executed the security documents for the Finance Lease Agreement III and completed the relevant registration procedures (if necessary);
- (c) Hebei Financial Leasing, with the assistance of Feixi Zhonghui, having completed the relevant registration procedures of the Finance Lease Agreement III and the transactions contemplated thereunder at the relevant competent PRC authorities;
- (d) Hebei Financial Leasing having received all relevant documentary evidence showing that the Leased Assets III have been insured in accordance with the requirements under the Finance Lease Agreement III; and
- (e) Hebei Financial Leasing having received from Feixi Zhonghui the relevant invoice specifying the payment details.

Under the Finance Lease Agreement III, the remaining consideration would be payable by Hebei Financial Leasing to Feixi Zhonghui after fulfillment of the following conditions precedent, which are waivable by Hebei Financial Leasing:

- (a) Hebei Financial Leasing having received from Feixi Zhonghui the relevant invoice specifying the payment details;
- (b) there being no non-compliance with the sale and purchase agreement or the Finance Lease Agreement III by Feixi Zhonghui or any other circumstances which would have entitled Hebei Financial Leasing to early terminate the Finance Lease Agreement III; and
- (c) other conditions considered necessary by Hebei Financial Leasing.

### **Lease back arrangements**

Pursuant to the Finance Lease Agreement III, Hebei Financial Leasing agreed to lease the Leased Assets III back to Feixi Zhonghui for a term of 10 years.

### **Lease payments**

Pursuant to the Finance Lease Agreement III, the total estimated aggregate lease payments payable by Feixi Zhonghui to Hebei Financial Leasing shall be approximately RMB133,251,000 in 40 quarterly instalments, being the principal lease cost of RMB100,000,000 plus the estimated aggregate interest of approximately RMB33,251,000. The estimated interests are calculated at a rate of 5.85% determined with reference to the LPR on 20 March 2023 at 4.3% plus 155 basis point. The lease interest rate shall be adjusted on 20th July of each calendar year during the lease period by reference to the corresponding change of the most recent LPR before the adjustment date. Feixi Zhonghui intends to finance the total lease payments by using the Group's internal resources.

The obligations of Feixi Zhonghui under the Finance Lease Agreement III shall be secured by a corporate guarantee from Kong Sun Yongtai and the Pledges III in favour of Hebei Financial Leasing.

### **Ownership of the Leased Assets III**

During the lease period, the legal ownership of the Leased Assets III under the Finance Lease Agreement III will be vested in Hebei Financial Leasing and Feixi Zhonghui will have the rights to use the Leased Assets III. At the end of the lease period and subject to payments by Feixi Zhonghui of all amounts due under the Finance Lease Agreement III, the legal ownership of the Leased Assets III will be vested in Feixi Zhonghui at nil consideration.

The estimated aggregate lease payments under the Finance Lease Agreement III were determined after arm's length negotiations between the parties to the Finance Lease Agreement III with reference to the principal amounts of the lease or the consideration for the Leased Assets III under the Finance Lease Agreement III and the prevailing market interest rate for finance lease of comparable assets.

### **REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS**

The Finance Lease Arrangements and the transactions contemplated thereunder have been agreed under normal commercial terms and after arm's length negotiations between the relevant parties and provide the Group with general working capital. The Directors therefore consider that the terms of the Finance Lease Arrangements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **INFORMATION ON THE LEASED ASSETS**

As at 31 December 2022, the unaudited book value (prepared under the PRC GAAP) of the Leased Assets I was approximately RMB140,843,000.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
The profit before tax attributable to the Leased Assets I	<b>8,851</b>	9,104
The profit after tax attributable to the Leased Assets I	<b>6,638</b>	7,966

As at 31 December 2022, the unaudited book value (prepared under the PRC GAAP) of the Leased Assets II was approximately RMB157,397,000.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	2021
	<b>(unaudited)</b>	(unaudited)
	<b>(RMB'000)</b>	(RMB'000)
The profit before tax attributable to the Leased Assets II	<b>16,593</b>	18,506
The profit after tax attributable to the Leased Assets II	<b>14,519</b>	16,193

As at 31 December 2022, the unaudited book value (prepared under the PRC GAAP) of the Leased Assets III was approximately RMB112,631,000.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	2021
	<b>(unaudited)</b>	(unaudited)
	<b>(RMB'000)</b>	(RMB'000)
The profit before tax attributable to the Leased Assets III	<b>11,041</b>	10,832
The profit after tax attributable to the Leased Assets III	<b>8,281</b>	9,478

## **INFORMATION ON THE LESSEES**

As at 31 December 2022, the unaudited book value (prepared under the PRC GAAP) of Suzhou Xuqiang was approximately RMB52,320,000.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	2021
	<b>(unaudited)</b>	(audited)
	<b>(RMB'000)</b>	(RMB'000)
The loss before tax attributable to Suzhou Xuqiang	<b>(1,707)</b>	(2,447)
The loss after tax attributable to Suzhou Xuqiang	<b>(1,707)</b>	(2,447)

As at 31 December 2022, the unaudited book value (prepared under the PRC GAAP) of Huangshi Huangyuan was approximately RMB63,392,000.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	2021
	<b>(unaudited)</b>	(audited)
	<b>(RMB'000)</b>	(RMB'000)
The profit before tax attributable to Huangshi Huangyuan	<b>5,846</b>	4,800
The profit after tax attributable to Huangshi Huangyuan	<b>5,259</b>	4,200

As at 31 December 2022, the unaudited book value (prepared under the PRC GAAP) of Feixi Zhonghui was approximately RMB57,404,000.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	2021
	<b>(unaudited)</b>	(audited)
	<b>(RMB'000)</b>	(RMB'000)
The profit before tax attributable to Feixi Zhonghui	<b>3,407</b>	824
The profit/(loss) after tax attributable to Feixi Zhonghui	<b>647</b>	(526)

## **FINANCIAL EFFECT OF THE FINANCE LEASE ARRANGEMENTS AND USE OF PROCEEDS**

It is expected that according to the Hong Kong Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangements shall be accounted for as financing arrangements and therefore would not give rise to any gain or loss. As the interest rate of the Finance Lease Arrangements is lower than Group's average cost of borrowing, the reduction of finance cost will be beneficial to the Group and the Shareholders as a whole. After deducting the incidental costs attributable to the Finance Lease Arrangements, the Group will receive net disposal proceeds of approximately RMB269,400,000 in aggregate under the Finance Lease Arrangements. It is expected that the net disposal proceeds will be used for for general working capital of the Group by 31 December 2023.

## **INFORMATION ON THE COMPANY, KONG SUN YONGTAI AND THE LESSEES**

The Company is principally engaged in the investment in and operation of solar power plants, provision of solar power plant operation and maintenance services, provision of financial services and asset management.

Kong Sun Yongtai is a company established in the PRC and an indirect wholly-owned subsidiary of the Company, which is principally engaged in the investment and operation of solar-power plants.

Suzhou Xuqiang is a company established in the PRC and an indirect wholly-owned subsidiary of the Company, which is principally engaged in solar power generation. As at the date of this announcement, Suzhou Xuqiang is wholly-owned by Kong Sun Yongtai.

Huangshi Huangyuan is a company established in the PRC and an indirect wholly-owned subsidiary of the Company, which is principally engaged in solar power generation. As at the date of this announcement, Huangshi Huangyuan is wholly-owned by Kong Sun Yongtai.

Feixi Zhonghui is a company established in the PRC and an indirect wholly-owned subsidiary of the Company, which is principally engaged in solar power generation. As at the date of this announcement, Feixi Zhonghui is wholly-owned by Kong Sun Yongtai.

## **INFORMATION ON HEBEI FINANCIAL LEASING**

Hebei Financial Leasing is principally engaged in the finance leases and factoring businesses. As at the date of this announcement, Hebei Financial Leasing is held as to approximately 21.43%, 18.37%, 15.31%, 15.31%, 11.48%, 6.62%, 5.74% and 5.74% by 河北建設投資集團有限責任公司 (Hebei Construction & Investment Group Co., Ltd.\*), 新奧集團股份有限公司 (ENN Group Co., Ltd.\*), 新奧控股投資股份有限公司 (ENN Holdings Investment Co., Ltd.\*), 石家庄國控城市發展投資集團有限責任公司 (Shijiazhuang Guokong Urban Development Investments Group Co., Ltd.\*), 華美現代流通發展有限公司 (Huamei Modern Circulation Development Co., Ltd.\*), 保定白溝箱包城投資有限公司 (Baoding Baigouxiang Baocheng Investment Co., Ltd.\*), 西安金匯汽車服務有限公司 (Xi'an Jinhui Automobile Service Co., Ltd.\*) and 上海德力西集團有限公司 (Shanghai Delixi Group Co., Ltd.\*) respectively. The four largest ultimate beneficial owners of Hebei Finance Leasing are 王玉鎖 (Wang Yusuo), the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province, the State-owned Assets Supervision and Administration Commission of Shijiazhuang Municipal People's Government and 張文中 (Zhang Wenzhong), with effective interest of 31.15%, 21.43%, 15.31% and 10.48% respectively.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Hebei Financial Leasing and its ultimate beneficial owners are Independent Third Parties.

## IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreements is more than 25% but all of the applicable percentage ratios are lower than 75%, the entering into of the Finance Lease Agreements constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and the Finance Lease Arrangements are therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Finance Lease Arrangements. Insofar as the Company is aware, no Shareholder has any material interest in the Finance Lease Arrangements. Hence, no Shareholder is required to abstain from voting on the resolutions in relation to the Finance Lease Arrangements at the EGM. A circular containing, among other things, further details of the Finance Lease Arrangements, the notice convening the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2023 as additional time is required to prepare the information to be included in the circular.

## DEFINITIONS

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

“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 (Stock Code: 295)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approve the Finance Lease Arrangements
“Feixi Zhonghui”	肥西中暉光伏發電有限公司(Feixi Zhonghui Photovoltaic Power Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Finance Lease Agreement I”	the finance lease agreement dated 28 April 2023 entered into between Suzhou Xuqiang, as lessee, and Hebei Financial Leasing, as lessor, in respect of the Leased Assets I
“Finance Lease Agreement II”	the finance lease agreement dated 28 April 2023 entered into between Huangshi Huangyuan, as lessee, and Hebei Financial Leasing, as lessor, in respect of the Leased Assets II
“Finance Lease Agreement III”	the finance lease agreement dated 28 April 2023 entered into between Feixi Zhonghui, as lessee, and Hebei Financial Leasing, as lessor, in respect of the Leased Assets III
“Finance Lease Arrangements”	the transactions contemplated under the Finance Lease Agreements I, II & III and the Pledges I, II and III
“Group”	the Company and its subsidiaries
“Hebei Financial Leasing”	河北省金融租賃有限公司(Hebei Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangshi Huangyuan”	黃石黃源光伏電力開發有限公司(Huangshi Huangyuan Photovoltaic Power Development Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	party(ies) who are independent of the Company and connected persons of the Company
“Kong Sun Yongtai”	江山永泰投資控股有限公司(Kong Sun Yongtai Investment Holding Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Leased Assets I”	all the photovoltaic power generating equipment and ancillary facilities regarding the 20MW photovoltaic power plant located in Suzhou City, Anhui Province, the PRC
“Leased Assets II”	certain photovoltaic power generating equipment and ancillary facilities regarding the 30MW photovoltaic power plant located in Huangshi City, Hubei Province, the PRC

“Leased Assets III”	all the photovoltaic power generating equipment and ancillary facilities regarding the 20MW photovoltaic power plant located in Hefei City, Anhui Province, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LPR”	the loan prime rate for loans with a maturity of above 5 years as promulgated by the National Interbank Funding Centre under the authority of the People’s Bank of China
“MW”	megawatts
“Pledges I”	collectively, (a) a pledge on all income arising from the Leased Assets I including electricity bill receivables and government subsidies receivables by Suzhou Xuqiang (in the approximate amount of RMB50,220,000 as at 31 December 2022); and (b) a pledge of the entire equity interest in Suzhou Xuqiang by Kong Sun Yongtai
“Pledges II”	collectively, (a) a pledge on all income arising from the Leased Assets II including electricity bill receivables and government subsidies receivables by Huangshi Huangyuan (in the approximate amount of RMB92,108,000 as at 31 December 2022); and (b) a pledge of the entire equity interest in Huangshi Huangyuan by Kong Sun Yongtai
“Pledges III”	collectively, (a) a pledge on all income arising from the Leased Assets III including electricity bill receivables and government subsidies receivables by Feixi Zhonghui (in the approximate amount of RMB51,606,000 as at 31 December 2022); and (b) a pledge of the entire equity interest in Feixi Zhonghui by Kong Sun Yongtai
“PRC”	the People’s Republic of China
“PRC GAAP”	the generally accepted accounting principles of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Suzhou Xuqiang”

宿州旭強新能源工程有限公司(Suzhou Xuqiang New Energy Engineering Limited\*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%”

per cent.

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

Hong Kong, 28 April 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.*

\* *For identification purposes only*