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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kong Sun Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**(1) MAJOR TRANSACTION
IN RELATION TO PROPOSED DISPOSAL OF
DOMESTIC SHARES IN BANK OF JINZHOU; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 8 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Unit 803-4, 8/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong on Tuesday, 9 April 2024 at 11:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

20 March 2024

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DEFINITIONS

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

“Bank of Jinzhou”	Bank of Jinzhou Co., Ltd.* (錦州銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 0416)
“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)
“Composite Document”	the composite offer and response document dated 23 February 2024 jointly issued by the Offeror and the Bank of Jinzhou in respect of, among other things, the H Share offer and the Domestic Share Offer
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Share Offer”	the voluntary conditional cash offer to be made by the Offeror to acquire all of the Jinzhou Domestic Shares (other than those owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it)
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approve the Proposed Disposal
“Group”	the Company and its subsidiaries
“H Share Offer”	the voluntary conditional cash offer to be made by China International Capital Corporation Hong Kong Securities Limited on behalf of the Offeror to acquire all of the Jinzhou H Shares (other than those agreed to be acquired by the Offeror and parties acting in concert with it)
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	18 March 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular

DEFINITIONS

“Jinzhou Domestic Shares”	ordinary share(s) in the capital of the Bank of Jinzhou, with a nominal value of RMB1.00, which are subscribed for and paid up in RMB
“Jinzhou Group”	the Bank of Jinzhou and its subsidiaries
“Jinzhou H Shares”	the H share(s) of the Bank of Jinzhou which are listed on the Stock Exchange
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Offer Price”	the cash offer price of the Domestic Share Offer, being RMB1.25 per Jinzhou Domestic Share
“Offeror”	Liaoning Financial Holding Group Co., Ltd.* (遼寧金融控股集團有限公司)
“PRC”	the People’s Republic of China
“Proposed Disposal”	the proposed disposal of 107,500,000 Jinzhou Domestic Shares by Kong Sun Yongtai pursuant to the Domestic Share Offer
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* For identification purposes only

LETTER FROM THE BOARD



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 295)

Executive Director:

Mr. Xian He

Non-executive Director:

Mr. Jiang Hengwen (*Chairman*)

Independent non-executive Directors:

Ms. Tang Yinghong

Ms. Wu Wennan

Mr. Xu Xiang

Registered office and

Principal Place of Business:

Unit 803-4, 8/F,

Everbright Centre,

108 Gloucester Road,

Wanchai, Hong Kong

20 March 2024

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO PROPOSED DISPOSAL OF DOMESTIC SHARES IN BANK OF JINZHOU

INTRODUCTION

Reference is made to the announcement of the Company dated 6 March 2024 in relation to the Proposed Disposal. The purpose of this circular is to provide you with, among other things, further details of the Proposed Disposal, the financial information of the Group, the notice convening the EGM and other information as required under the Listing Rules.

THE PROPOSED DISPOSAL

Pursuant to the Composite Document, among others, the Offeror made the Domestic Share Offer to acquire all of the issued Jinzhou Domestic Shares (other than those already held by the Offeror and its concert parties). On 6 March 2024, the Board resolved, subject to obtaining the approval of the Shareholders, to accept the Domestic Share Offer in respect of all the 107,500,000 Jinzhou Domestic Shares held by Kong Sun Yongtai.

LETTER FROM THE BOARD

The principal terms of the Proposed Disposal are summarised as follows:

The Proposed Disposal

Jinzhou Domestic Shares subject to the Domestic Share Offer

The 107,500,000 Jinzhou Domestic Shares held by Kong Sun Yongtai represent approximately 1.03% of the total issued Jinzhou Domestic Shares and approximately 0.77% of the total issued shares of the Bank of Jinzhou as at the Latest Practicable Date.

Following completion of the Proposed Disposal, the Group will cease to have any interest in the Bank of Jinzhou.

The Offer Price

The Offer Price is RMB1.25 per Jinzhou Domestic Share and the total consideration to be received by Kong Sun Yongtai under the Domestic Share Offer will be RMB134,375,000.

The Offer Price of RMB1.25 is the RMB equivalent of the offer price under the H Share Offer of HK\$1.38, which, according to the Composite Document:

- (a) equals to the closing price of HK\$1.38 per Jinzhou H Share as quoted on the Stock Exchange on 19 January 2023 (the “**Last Trading Date**”);
- (b) represents a premium of approximately 0.31% over the average closing price of approximately HK\$1.38 per Jinzhou H Share, being the average closing price of the Jinzhou H Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date;
- (c) represents a premium of approximately 15.35% over the average closing price of approximately HK\$1.20 per Jinzhou H Share, being the average closing price of the Jinzhou H Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date;
- (d) represents a premium of approximately 43.01% over the average closing price of approximately HK\$0.97 per Jinzhou H Share, being the average closing price of the Jinzhou H Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date;
- (e) represents a premium of approximately 36.46% over the average closing price of approximately HK\$1.01 per Jinzhou H Share, being the average closing price of the Jinzhou H Shares as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Date; and

LETTER FROM THE BOARD

- (f) represents a discount of approximately 71.94% to the net asset value per share attributable to the ordinary shareholders of the Bank of Jinzhou as at 30 June 2022 (i.e. RMB4.21 per share, based on the mid-rate of the exchange rate between HK\$ and RMB as at 30 June 2022) (based on a total of 13,981,615,684 shares in issue, the Jinzhou Group's unaudited total shareholders' equity attributable to the Bank of Jinzhou of approximately HK\$80,334,389,000 and other equity instruments of approximately HK\$11,573,291,000 as at 30 June 2022 (extracted from the Bank of Jinzhou's interim report for the six months ended 30 June 2022, based on the mid-rate of the exchange rate between HK\$ and RMB as at 30 June 2022).

As disclosed in the Composite Document:

- (a) settlement of consideration under the Domestic Share Offer will be made via wire transfer by the Offeror no later than seven (7) business days following the later of (i) the date on which the Domestic Share Offer becomes or is declared unconditional in all respects and (ii) the date on which the registration and transfer to the Offeror of all the Jinzhou Domestic Shares tendered for acceptance under the Domestic Share Offer by the relevant shareholder has been completed;
- (b) pursuant to applicable rules of China Securities Depository and Clearing Corporation Limited, a transfer fee of 0.025%, being a fee of RMB0.00025 per Jinzhou Domestic Share, may be required to be paid by the Offeror and Kong Sun Yongtai under the Domestic Share Offer in equal shares (with a cap of RMB100,000 for each party); and
- (c) a PRC stamp duty arising in connection with acceptances of the Domestic Share Offer will be payable by Kong Sun Yongtai and the Offeror respectively at a rate of 0.05% of the total consideration in accordance with the stamp duty law of the PRC.

Conditions precedent

The Proposed Disposal is subject to fulfilment of the following conditions, which are non-waivable:

- (i) the Shareholders having approved the Proposed Disposal at the EGM; and
- (ii) the conditions as set out in the section headed "Conditions to the Offers" in the Composite Document having been fulfilled or waived (as applicable).

Completion

Subject to the Shareholders having approved the Proposed Disposal at the EGM, Yong Sun Yongtai will tender the 107,500,000 Jinzhou Domestic Shares held by it for acceptance under the Domestic Share Offer by 12 April 2024, being the latest time and date for the Domestic Share Offer remaining open for acceptance on the final closing date according to the Composite Document.

For details of the timeline of the Domestic Share Offer, please refer to the expected timetable set out in the Composite Document.

LETTER FROM THE BOARD

INFORMATION ON THE BANK OF JINZHOU

The Bank of Jinzhou is a joint stock company incorporated in the PRC with limited liability. It is a regional commercial bank. Its scope of business includes taking deposits from the public; granting short-term, medium-term and long-term loans; handling domestic and foreign settlements; issuing financial debentures and engaging in interbank lending etc.

The financial information of the Jinzhou Group (prepared in accordance with International Financial Reporting Standards) for the two years ended 31 December 2021 as set out in “Appendix II – Financial Information of the Group” in the Composite Document is as follows:

	For the year ended 31 December	
	2020	2021
	(Audited)	(Audited)
	RMB'000	RMB'000
Net profit before tax	328,147	523,989
Net profit after tax	153,527	102,339

The unaudited net asset value of the Jinzhou Group as at 30 June 2022 was approximately RMB70,989,872,000.

According to the Composite Document, as disclosed in the Bank of Jinzhou’s announcements dated 31 March 2023 and 31 August 2023, publication of the audited annual results of the Bank of Jinzhou for the year ended 31 December 2022 had to be delayed as the auditor required additional information and time to complete the audit procedures as the transactions relating to the significant financial reorganization of the Bank of Jinzhou were yet to be confirmed. As a result, as at the Latest Practicable Date, the latest financial information of the Bank of Jinzhou available for disclosure in this circular was related to the two years ended 31 December 2021.

INFORMATION ON THE PARTIES INVOLVED IN THE PROPOSED DISPOSAL

As at the Latest Practicable Date, 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 and construction of Digital and Intelligent Traditional Chinese Medicine (DI-TCM) health management and service system and provision of DI-TCM diagnosis and treatment equipment.

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.

LETTER FROM THE BOARD

According to the Composite Document, the Offeror is a company incorporated in the PRC with limited liability and its scope of business includes: investment and capital management; capital investment services non-public offering of securities investment funds; holding company services; financial information services. The sole shareholder of the Offeror is the Department of Finance of Liaoning Province, which holds 100% of the shares in the Offeror. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Offeror and its ultimate beneficial owner is independent of the Company and connected persons of the Company.

REASONS AND BENEFITS FOR THE PROPOSED DISPOSAL

The Proposed Disposal was initiated as a result of the Domestic Share Offer. According to the letter from Gram Capital Limited, the independent financial adviser appointed by the Bank of Jinzhou to advise its independent board committee in relation to the H Share Offer and the Domestic Share Offer, as contained in the Composite Document, Gram Capital Limited took the view that the H Share Offer and the Domestic Share Offer (including the offer prices) are fair and reasonable so far as the independent shareholders of the Bank of Jinzhou are concerned, having taken into account factors including (i) some of the Jinzhou Group's customers have entered into bankruptcy reorganization proceedings and some of the other customers' assets held by the Jinzhou Group have become delinquent, which are expected to have a material adverse impact on the financial and business conditions of the Jinzhou Group; and (ii) the trading prices and volume of the Jinzhou H Shares and the net asset value of the Jinzhou Group. Accordingly, the Board agreed that the Domestic Share Offer would be a good exit opportunity for the Group to realise the investment in the Jinzhou Domestic Shares. The Company expects to receive net proceeds from the Proposed Disposal in the amount of RMB133,500,000 and intend to apply the proceeds to repay its existing indebtedness, which will be utilized by 31 December 2024.

In light of the above, the Directors are of the view that the Proposed Disposal is on normal commercial terms and the terms of the Proposed Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

The 107,500,000 Jinzhou Domestic Shares are classified as financial assets measured at fair value through other comprehensive income of the Group in its consolidated financial statements, with an aggregate unaudited carrying value (which is equivalent to the fair value) of approximately RMB129,543,000 as at 31 December 2023, which was determined with reference to the valuation report prepared by an independent professional qualified valuer using the market approach. Subject to final audit, the Group expects to record a gain of approximately RMB3,957,000 as a result of the Proposed Disposal, being the difference between the net proceeds receivable under the Proposed Disposal of approximately RMB133,500,000 and the unaudited carrying value of the relevant Jinzhou Domestic Shares as at 31 December 2023. Upon completion of the Proposed Disposal, the unaudited total assets of the Group will be increased by approximately RMB3,957,000.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Proposed Disposal is above 25% but less than 75%, the Proposed Disposal constitutes a major transaction for the Company subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

THE EGM

Set out on pages EGM-1 to EGM-2 of this circular is a notice of the EGM to be held at Unit 803-4, 8/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong on Tuesday, 9 April 2024 at 11:30 a.m., at which an ordinary resolution will be proposed to approve the Proposed Disposal.

Whether or not you propose to attend the meeting, you are requested to read the notice of EGM and complete the accompanying form of proxy, which is enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the meeting should you so wish. Pursuant to the Listing Rules, any Shareholder who has a material interest in the Proposed Disposal and his/her/its close associates is/are required to abstain from voting on the relevant resolution at the EGM.

As at the Latest Practicable Date, insofar as the Company is aware, no Shareholder has any material interest in the Proposed Disposal. Hence, no Shareholder is required to abstain from voting on the resolution in relation to the Proposed Disposal at the EGM.

RECOMMENDATION

The Directors consider that the terms of the Proposed Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Disposal.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Completion of the Proposed Disposal is conditional upon the Shareholders' approval having been obtained and the Domestic Share Offer being declaring unconditional. Accordingly, the Proposed Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the shares of the Company.

Yours faithfully,
For and on behalf of the Board
Kong Sun Holdings Limited
Mr. Jiang Hengwen
Chairman and non-executive Director

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 are set out in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (www.kongsun.com):

- The audited consolidated financial statements of the Group for the year ended 31 December 2020 have been set out on pages 81 to 202 of the 2020 annual report of the Company published on 20 April 2021. Please also see below the link to the 2020 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0420/2021042000331.pdf>

- The audited consolidated financial statements of the Group for the year ended 31 December 2021 have been set out on pages 79 to 192 of the 2021 annual report of the Company published on 26 April 2022. Please also see below the link to the 2021 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601962.pdf>

- The audited consolidated financial statements of the Group for the year ended 31 December 2022 have been set out on pages 88 to 197 of the 2022 annual report of the Company published on 26 April 2023. Please also see below the link to the 2022 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602663.pdf>

- The unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 have been set out on pages 23 to 60 of the 2023 interim report of the Company published on 22 September 2023. Please also see below the link to the 2023 interim report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0922/2023092200413.pdf>

2. WORKING CAPITAL

The Directors, after due and careful consideration and taking into account the proceeds from the Proposed Disposal, the timely settlement of certain of the Group's renewable energy subsidy receivables from the State Grid Companies on the expected dates, present internal resources and banking and other facilities and the net proceeds from the successful completion of the previous disposals, are of the opinion that the Group would have sufficient working capital for at least 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 January 2024, being the latest practicable date for the purpose of this statement of indebtedness, the Group's indebtedness includes secured loans and borrowings which amounted to approximately RMB1,555,597,000 and unsecured corporate bonds which amounted to approximately RMB16,430,000 and lease liabilities amounted to approximately RMB147,328,000.

The Group's loans and borrowings were secured by its assets, including solar power plants, trade receivables, property, plant and equipment, lease prepayments, financial assets measured at fair value through other comprehensive income and the equity interests of certain subsidiaries.

As at 31 January 2024, the Group's lease liabilities amounted to approximately RMB147,328,000 in relation to the remaining lease terms of certain lease contracts, which is unsecured and unguaranteed.

The Directors confirm that, as of 31 January 2024, being the latest practicable date for the purpose of this statement of indebtedness, save as disclosed above, the Group did not have any issued and outstanding, or authorised or otherwise created but unissued debt securities, term loans, other borrowings, indebtedness, mortgages and charges, contingent liabilities and guarantees.

The Directors confirm that, save as disclosed above, there have been no material changes in the indebtedness or contingent liabilities of the Group as at the Latest Practicable Date.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

After the Proposed Disposal, the Group will continue to develop its existing business, meanwhile accelerating the transformation into new businesses in other energy and health sectors, increasing the proportion of asset-light and high-tech businesses, so as to maximise the return of the assets and value for its shareholders.

It is expected that through the Proposed Disposal, the Group will be able to realise its investment in the Jinzhou Domestic Shares and allocate the net proceeds from the Proposed Disposal to general working capital of the Group, which will enhance the Group's financial position.

Solar power generating business is a capital intensive industry, which highly relies on external financing in order to fund for the construction of solar power plant while the recovery of capital investment takes a long period of time. To cope with the gearing risk, the Group will pay close attention to the market dynamics, and to avoid any unfavorable changes to the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest audited consolidated financial statements of the Company were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and Short Positions

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

Interest in Shares and underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares held/ interested in	Approximate percentage of shareholding	
			Total	
<i>Executive Director</i>				
Xian He	Beneficial owner	1,650,000	7,125,000	0.05%
	Interest of spouse ⁽¹⁾	5,475,000		

Note:

- (1) 5,475,000 Shares are held by Ms. He Xiang, who is the wife of Mr. Xian He. Therefore, Mr. Xian He is deemed to be interested in a long position of an aggregate of 5,475,000 Shares held by Ms. He Xiang under the SFO.

Save as disclosed above, as at the Latest Practical Date, none of the Directors and chief executive of the Company, or their respective associate, had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or, as recorded in the register required to be kept by the Company under section 352 of the SFO or required to be notified to the Company or the Stock Exchange under the Model Code.

(b) Substantial Shareholders' Interests

So far as is known to any Director, as at the Latest Practicable Date, the following persons, other than a Director or chief executive of the Company, had or deemed or taken to have an interest or short position in the Shares or underlying Shares of the Company would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of Shares or underlying Shares held⁽³⁾	Percentage of shareholding⁽²⁾
Miao Yu	Deemed interest in controlled corporation ⁽¹⁾	4,169,300,000 (L)	27.86%
Prospect Ace Limited	Beneficial owner ⁽¹⁾	4,169,300,000 (L)	27.86%
Xiang Jun	Beneficial owner	756,831,000 (L)	5.06%

Notes:

- (1) Miao Yu owns 100% equity interest of Prospect Ace Limited. Accordingly, Miao Yu is deemed to be interested in a long position of an aggregate of 4,169,300,000 Shares held by Prospect Ace Limited.
- (2) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at the Latest Practicable Date, being 14,964,442,519 Shares.
- (3) The letter "L" denotes the person's long position in such securities.

Save as disclosed above and as at the Latest Practicable Date, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

None of the Directors or proposed Directors was a director or an employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any asset which has since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS' INTEREST IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

No Director and/or his/her respective close associates had a material interest, either directly or indirectly, in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, as far as the Directors are aware, none of the Directors, the proposed Directors nor their respective close associates is and was interested in any business which competes or may compete, either directly or indirectly, with the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this circular and up to the Latest Practicable Date and are or may be material:

- (a) the equity transfer agreement dated 29 January 2024 entered into between 北京億鑫豐泰科技合夥企業(有限合夥) (Beijing Yixin Fengtai Technology Partnership (Limited Partnership)*) and 揚州啓星新能源發展有限公司 (Yangzhou Qixing New Energy Development Limited*), an indirect wholly-owned subsidiary of the Company in relation to the disposal of 60% equity interests in 陝西億潤新能源科技有限公司 (Shaanxi Yirun New Energy Technology Co., Ltd.*) for a consideration of RMB4,200,000;

- (b) the equity transfer agreement dated 28 December 2023 entered into between 揚州啓星新能源發展有限公司 (Yangzhou Qixing New Energy Development Limited*), an indirect wholly-owned subsidiary of the Company, as purchaser, and 江山金投控股有限公司 (Jiangshan Financial Investment Holdings Co., Ltd.*) as vendor, in relation to the acquisition of 69.45% equity interests in 北京鷹之眼智能健康科技有限公司 (Beijing Eagle Eye Intelligent Health Technology Co., Ltd.*) for a total consideration of RMB6,000,000;
- (c) the finance lease agreement dated 27 September 2023 entered into between 靈璧永基新能源科技有限公司 (Lingbi Yongji New Energy Technology Co., Ltd.*) (“**Lingbi Yongji**”), an indirect wholly-owned subsidiary of the Company, as lessee, and 中集融資租賃有限公司 (CIMC Capital Ltd.*) (“**CIMC Capital**”), as lessor, pursuant to which CIMC Capital agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding the 20MW photovoltaic power plant located in Suzhou City, Anhui Province, the PRC, from Lingbi Yongji for a total consideration of RMB67,000,000 and lease such assets to Lingbi Yongji for a term of 13 years for the total estimated aggregate lease payments of approximately RMB96,329,000;
- (d) the finance lease agreement dated 27 September 2023 entered into between 強茂能源鄂爾多斯市有限責任公司 (Qiangmao Energy Ordos City Co., Ltd.*) (“**Qiangmao Energy**”), an indirect wholly-owned subsidiary of the Company, as lessee, and CIMC Capital as lessor, pursuant to which CIMC Capital agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding the 10MW photovoltaic power plant located in Ordos City, Inner Mongolia Autonomous Region, from Qiangmao Energy for a total consideration of RMB60,000,000 and lease such assets to Qiangmao Energy for a term of 13 years for the total estimated aggregate lease payments of approximately RMB86,265,000;
- (e) the finance lease agreement dated 27 July 2023 entered into between 榆林正信電力有限公司 (Yulin Zhengxin Electricity Limited*) (“**Yulin Zhengxin**”) and CIMC Capital, pursuant to which CIMC Capital agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding a 30MW photovoltaic power plant located in Shaanxi Province, the PRC, from Yulin Zhengxin for a total consideration of RMB150,000,000 and lease such assets to Yulin Zhengxin for a term of 13 years for the total estimated aggregate lease payments of approximately RMB215,662,000;
- (f) the equity transfer agreement dated 11 August 2023 entered into by and among 新華電力發展投資有限公司 (Xinhua Electricity Development Investment Limited*) (“**Xinhua Electricity**”), 常州市金壇區天昊新能源有限公司 (Changzhou City Jintan Tianhao New Energy Co., Ltd.*) (“**Tianhao New Energy**”), a company established in the PRC and an indirect wholly-owned subsidiary of the Company, and 定邊縣萬和順新能源發電有限公司 (Dingbian Wanheshun New Energy Power Generation Limited*) (“**Dingbian Wanheshun**”) in relation to the disposal of the entire equity interests in Dingbian Wanheshun for a consideration of approximately RMB607,000;

- (g) the equity transfer agreement dated 11 August 2023 entered into by and among Xinhua Electricity, Kong Sun Yongtai and 黃石黃源光伏電力開發有限公司 (Huangshi Huangyuan Photovoltaic Power Development Limited*) (“**Huangshi Huangyuan**”) in relation to the disposal of the entire equity interests in Huangshi Huangyuan for a consideration of approximately RMB40,529,000;
- (h) the equity transfer agreement dated 11 August 2023 entered into by and among Xinhua Electricity, Kong Sun Yongtai and Yulin Zhengxin in relation to the disposal of the entire equity interests in Yulin Zhengxin for a consideration of approximately RMB52,858,000;
- (i) the equity transfer agreement dated 11 August 2023 entered into by and among Xinhua Electricity, 常熟宏略光伏電站開發有限公司 (Changshu Honglue Photovoltaic Power Plants Development Co., Ltd*) (“**Changshu Honglue**”), a company established in the PRC and an indirect wholly-owned subsidiary of the Company, and 嵊州懿暉光伏發電有限公司 (Shengzhou Yihui Photovoltaic Power Generation Limited*) (“**Shengzhou Yihui**”) in relation to the disposal of the entire equity interests in Shengzhou Yihui for a consideration of approximately RMB38,501,000;
- (j) the equity transfer agreement dated 11 August 2023 entered into by and among Xinhua Electricity, Changshu Honglue and 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Co., Ltd.*) (“**Dingbian Jingyang**”) in relation to the disposal of the entire equity interests in Dingbian Jingyang for a consideration of approximately RMB256,185,000;
- (k) the equity transfer agreement dated 11 August 2023 entered into by and among Xinhua Electricity, Changshu Honglue and 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*) (“**Dingbian County Zhixinda**”) in relation to the disposal of the entire equity interests in Dingbian County Zhixinda for a consideration of approximately RMB369,348,000;
- (l) the finance lease agreement dated 28 April 2023 entered into between 宿州旭強新能源工程有限公司 (Suzhou Xuqiang New Energy Engineering Limited*) (“**Suzhou Xuqiang**”) and 河北省金融租賃有限公司 (Hebei Financial Leasing Co., Ltd.*) (“**Hebei Financial Leasing**”), pursuant to which Hebei Financial Leasing agreed to purchase all the photovoltaic power generating equipment and ancillary facilities regarding the 20MW photovoltaic power plant located in Suzhou City, Anhui Province, the PRC from Suzhou Xuqiang for a total consideration of RMB80,000,000 and lease such assets to Suzhou Xuqiang for a term of 10 years for the total estimated aggregate lease payments of approximately RMB105,766,000;
- (m) the finance lease agreement dated 28 April 2023 entered into between Huangshi Huangyuan and Hebei Financial Leasing, pursuant to which Hebei Financial Leasing agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding the 30MW photovoltaic power plant located in Huangshi City, Hubei Province, the PRC from Huangshi Huangyuan for a total consideration of RMB90,000,000 and lease such assets to Huangshi Huangyuan for a term of 10 years for the total estimated aggregate lease payments of approximately RMB120,010,000;

- (n) the finance lease agreement dated 28 April 2023 entered into between 肥西中暉光伏發電有限公司 (Feixi Zhonghui Photovoltaic Power Limited*) (“**Feixi Zhonghui**”) and Hebei Financial Leasing, pursuant to which Hebei Financial Leasing agreed to purchase all the photovoltaic power generating equipment and ancillary facilities regarding the 20MW photovoltaic power plant located in Hefei City, Anhui Province, the PRC from Feixi Zhonghui for a total consideration of RMB100,000,000 and lease such assets to Feixi Zhonghui for a term of 10 years for the total estimated aggregate lease payments of approximately RMB133,251,000;
- (o) the finance lease agreement dated 12 April 2023 entered into between 合肥綠聚源光伏發電有限公司 (Hefei Lvjuyuan Photovoltaic Power Generation Limited*), an indirect wholly owned subsidiary of the Company (“**Hefei Lvjuyuan**”), and 國銀金融租賃股份有限公司 (China Development Bank Financial Leasing Co., Ltd.*) (“**CDB Leasing**”), pursuant to which CDB Leasing agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding two of the 20MW photovoltaic power plants located in Hefei City, Anhui Province, the PRC from Hefei Lvjuyuan for a total consideration of RMB200,000,000 and lease such assets to Hefei Lvjuyuan for a term of 12 years for the total estimated aggregate lease payments of approximately RMB280,260,000, together with the agreement dated 12 April 2023 entered into by and among CDB Leasing, 大唐融資租賃有限公司 (Datang Finance Leasing Limited*) (“**Datang Finance Leasing**”) and Hefei Lvjuyuan in relation to the settlement of the outstanding amount due from Hefei Lvjuyuan to Datang Finance Leasing under the existing finance lease arrangement between Hefei Lvjuyuan and Datang Finance Leasing, and the relevant agreements relating to the pledges executed in relation to the finance lease agreement;
- (p) the finance lease agreement dated 7 March 2023 entered into between Shengzhou Yihui and CDB Leasing, pursuant to which CDB Leasing agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding a 19.8MW photovoltaic power plant located in Sanjie Town, Shaoxing City, Zhejiang Province, the PRC from Shengzhou Yihui for a total consideration of RMB110,000,000 and lease such assets to Shengzhou Yihui for a term of 12 years for the total estimated aggregate lease payments of approximately RMB153,486,000;
- (q) the finance lease agreement dated 27 February 2023 entered into between Dingbian County Zhixinda and 華電融資租賃有限公司 (Huadian Financial Leasing Co., Ltd.*) (“**Huadian Financial Leasing**”), pursuant to which Huadian Financial Leasing agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding a 50MW photovoltaic power plant located in Yulin City, Shaanxi Province, the PRC from Dingbian County Zhixinda for a total consideration of RMB260,000,000 and lease such assets to Dingbian County Zhixinda for a term of 10 years for the total estimated aggregate lease payments of approximately RMB349,842,000;

- (r) the finance lease agreement dated 12 December 2022 entered into between 大同市皖銅新能源有限公司 (Datong Wantong New Energy Co., Ltd.*), an indirect non-wholly owned subsidiary of the Company (“**Datong Wantong**”), and Hebei Financial Leasing, pursuant to which Hebei Financial Leasing agreed to purchase certain photovoltaic power generating equipment and ancillary facilities regarding a 20MW photovoltaic power plant located in Datong City, Shanxi Province, the PRC from Datong Wantong for a total consideration of RMB80,000,000 and lease such assets to Datong Wantong for a term of 10 years for the total estimated aggregate lease payments of approximately RMB108,387,000;
- (s) the partnership agreement dated 11 November 2022 entered into by and among Kong Sun Yongtai, 上海仟榮臻投資諮詢有限公司 (Shanghai Qianrongzhen Investment Consultancy Co., Ltd.*) and 西藏玄彤投資有限公司 (Xizang Xuantong Investment Co., Ltd.*) as limited partners, 深圳市前海榮泰新能源投資管理有限公司 (Shenzhen Shenzhen Shentai New Energy Investment Management Co., Ltd.*) as a general partner and 霍爾果斯江山華飛利如股權投資有限公司 (Korgos Jiangshan Huafei Liru Investment Equity Management Co., Ltd.*) as a general partner and executive partner in relation to the formation of 北京紅楓新能源合夥企業(有限合夥) (Beijing Hong Kong New Energy Investment Partnership (Limited Partnership)*), pursuant to which a capital commitment of RMB200,000,000 was to be contributed by Kong Sun Yongtai, representing approximately 90.10% of the total capital contribution in such limited partnership;
- (t) the loan agreement dated 1 November 2022 entered into between Kong Sun Yongtai as the lender and 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*), an associate of the Company which is indirectly owned as to 37.6% equity interest by BD Technology Limited, a wholly-owned subsidiary of the Company, as the borrower, pursuant to which Kong Sun Yongtai agreed to grant the loan in the principal amount of RMB120,000,000 to the borrower at an interest rate of 9% per annum for a term of 36 months;
- (u) the equity transfer agreement dated 25 March 2022 entered into by and among 中原新華水利水電投資有限公司 (Zhongyuan Xinhua Water Resources and Hydropower Investment Limited*) (“**Zhongyuan Xinhua**”), Kong Sun Yongtai and 濟源大峪江山光伏發電有限公司 (Jiyuan Dayu Jiangshan Photovoltaic Power Generation Limited*) (“**Jiyuan Dayu Jiangshan**”) in relation to the disposal of the entire equity interests of Jiyuan Dayu Jiangshan for a total consideration of RMB34,400,000; and
- (v) the equity transfer agreement dated 25 March 2022 entered into by and among Kong Sun Yongtai, Zhongyuan Xinhua and 寶豐縣鑫泰光伏電力科技開發有限公司 (Baofeng Xintai Photovoltaic Power Technology Development Limited*) (“**Baofeng Xintai**”) in relation to the disposal of 50% equity interests of Baofeng Xintai held by Kong Sun Yongtai and the rights of Kong Sun Yongtai as the ultimate beneficial owner of Baofeng Xintai for a total consideration of RMB84,275,000.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Ching Kin Wai, who is a member of the Hong Kong Institute of Certified Public Accountants;
- (b) The registered office and the principal place of business of the Company is at Unit 803-4, 8/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong;
- (c) The share registrar of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and
- (d) This circular has been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

NOTICE OF THE EGM



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 295)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Kong Sun Holdings Limited (the “**Company**”) will be held at Unit 803-4, 8/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong on Tuesday, 9 April 2024 at 11:30 a.m. for the purposes of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

Words and expressions that are not expressly defined in this notice shall bear the same meaning as that defined in the circular dated 20 March 2024 of the Company relating to the Proposed Disposal.

1. “**THAT:**

- (i) the proposed disposal of 107,500,000 ordinary share(s) in the capital of Bank of Jinzhou Co., Ltd.* (錦州銀行股份有限公司) with a nominal value of RMB1.00 (the “**Jinzhou Domestic Shares**”) pursuant to the voluntary conditional cash offer to be made by Liaoning Financial Holding Group Co., Ltd.* (遼寧金融控股集團有限公司) to acquire all of the Jinzhou Domestic Shares (other than those owned, controlled or agreed to be acquired by the offeror and parties acting in concert with it) at the offer price of RMB1.25 per Jinzhou Domestic Share (the “**Proposed Disposal**”) and the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
- (ii) any one Director be and is authorised to do all such things and take all such actions as he or she may consider necessary or desirable to implement and/or give effect to the Proposed Disposal.”

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

Hong Kong, 20 March 2024

NOTICE OF THE EGM

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who must be an individual) to attend and, on a poll, vote in his/her stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company's share registrar, Computershare Hong Kong Investors Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting.
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the relevant joint holding.

As of the date of this notice, the Board comprises one executive Director, 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.