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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)

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

References are made to the circular of Kong Sun Holdings Limited (the “**Company**”) dated 20 March 2024 (the “**Circular**”) and the poll results announcement of the Company dated 9 April 2024 in relation to the proposed disposal of domestic shares of the Bank of Jinzhou Co., Ltd.* (錦州銀行股份有限公司). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

Kong Sun Yongtai tendered the acceptance of the Domestic Share Offer in respect of the 107,500,000 Jinzhou Domestic Shares held by it on 11 April 2024 (the “**Acceptance**”) after the Proposed Disposal was approved by the Shareholders at the EGM. On 15 April 2024, Kong Sun Yongtai received the Acceptance documents returned by the Offeror. On 16 April 2024, Kong Sun Yongtai sent a letter to the Offeror seeking an explanation for the intention of and reason for returning the Acceptance documents. The Group was then verbally informed on 18 April 2024 that the Acceptance was rejected due to an existing charge of the 107,500,000 Jinzhou Domestic Shares pursuant to a share pledge (the “**Share Pledge**”) as disclosed in the Company’s interim report for the six months ended 30 June 2023.

The Share Pledge was executed by Kong Sun Yongtai in favour of 錦州金橋典當有限責任公司 for the purpose of securing the Group’s loans and borrowings from the Bank of Jinzhou (the “**Loan**”). As at the date of this announcement, the outstanding amount of the Loan is RMB249,750,000, which is due for repayment in July 2025.

Although the 107,500,000 Jinzhou Domestic Shares are subject to the Share Pledge, the Company believes that it should not have affected the Acceptance because delivery of such shares free from encumbrances should be a condition to be fulfilled at the time the shares are transferred to the Offeror. The Group will continue to communicate with the Offeror and will take all necessary actions to protect the legitimate interest of the Group.

In light of the above, the Proposed Disposal has been terminated and will not proceed to completion. The Board considers that the termination of the Proposal Disposal will not have any material adverse effect on the business, operations or financial position of the Group.

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

Hong Kong, 21 April 2024

As of the date of this announcement, 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.