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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
IN RELATION TO
ACQUISITION OF 30% INTEREST IN THE TARGET COMPANY**

THE AGREEMENT

On 15 August 2024, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Target Company, among others, entered into the Agreement, pursuant to which (i) the Purchaser conditionally agreed to subscribe for equity interest in the Target Company representing 20% of the total equity interest of the Target Company immediately after the Subscription for a subscription price of RMB36,000,000; and (ii) the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Interest representing 10% of the total equity interest of the Target Company immediately after the Subscription for a total consideration of RMB14,000,000, such that upon completion of the Subscription and the Acquisition, the Purchaser will be interested in 30% equity interest in the Target Company.

The Target Company will not become a subsidiary of the Company as a result of the Subscription and the Acquisition and its financial results will not be consolidated in the financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) exceeds 5% but is less than 25%, the Subscription and the Acquisition together constitute a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT

On 15 August 2024, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Target Company, among others, entered into the Agreement in respect of the Subscription and the Acquisition. The principal terms of the Agreement are summarised as follows:

Subject matter

Pursuant to the Agreement, (i) the Purchaser conditionally agreed to subscribe for equity interest in the Target Company representing 20% of the total equity interest of the Target Company immediately after the Subscription for a subscription price of RMB36,000,000; and (ii) the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Interest representing 10% of the total equity interest of the Target Company immediately after the Subscription for a total consideration of RMB14,000,000, such that upon completion of the Subscription and the Acquisition, the Purchaser will be interested in 30% equity interest in the Target Company.

The subscription price for the Subscription

The subscription price for 20% equity interest in the Target Company is RMB36,000,000, which shall be payable by the Purchaser to the Target Company in cash in the following manner:

- (1) an amount of RMB16,000,000, representing approximately 44.4% of the subscription price, shall be paid within ten (10) working days after the satisfaction of the following conditions: (a) the signing and taking effect of the Agreement; (b) the completion of registration of the 30% equity interest in the Target Company transferred to the Purchaser in accordance with the Agreement; and (c) the satisfaction of the Conditions Precedent;
- (2) an amount of RMB10,000,000, representing approximately 27.8% of the subscription price, shall be paid within ten (10) working days after the satisfaction of the following conditions: (a) the continuing satisfaction of the Conditions Precedent; (b) the achievement of the relevant R&D Targets by 28 February 2025; and (c) the existing shareholders of the Target Company having paid up all capital contributions to the Target Company by 30 November 2024; and

- (3) the balance of RMB10,000,000, representing approximately 27.8% of the subscription price, shall be paid within ten (10) working days after the satisfaction of the following conditions: (a) the continuing satisfaction of the Conditions Precedent; (b) the achievement of the relevant R&D Targets within six months after payment of the second instalment of the subscription price and the consideration for the Sale Interest; and (c) the Target Company having entered into a new and irrevocable equity financing agreement with new investor(s).

Notwithstanding the above, the Target Company may request early payment of the second and the third instalments of the subscription price by the Purchaser upon satisfaction of the condition set out in 3(c) above, provided that such amount paid by the Purchaser shall not be utilised unless and until the initial amount of the new investment has been received by the Target Company.

The consideration for the Acquisition

The consideration for the Sale Interest is RMB14,000,000, which shall be payable by the Purchaser to the Vendor in cash by depositing into an escrow account in the following manner:

- (1) an amount of RMB4,000,000, representing approximately 28.6% of the consideration, shall be paid within ten (10) working days after the satisfaction of the following conditions: (a) the signing and taking effect of the Agreement; (b) the completion of registration of the 30% equity interest in the Target Company transferred to the Purchaser in accordance with the Agreement; (c) the satisfaction of the Conditions Precedent; (d) the Vendor having paid up the capital contribution corresponding to the Sale Interest to the Target Company; and (e) the escrow agreement in respect of the joint management of the escrow account for receiving the consideration for the Sale Interest having been entered into between the Purchaser and the Vendor, and the Target Company having acquired contractual control in a company incorporated in Singapore with limited liability with an authorised business scope of software development and technical consultation (the “**Singapore Co.**”);
- (2) an amount of RMB5,000,000, representing approximately 35.7% of the consideration, shall be paid within ten (10) working days after the satisfaction of the following conditions: (a) the continuing satisfaction of the Conditions Precedent; (b) the achievement of the relevant R&D Targets by 28 February 2025; (c) the existing shareholders of the Target Company having paid up all capital contributions to the Target Company by 30 November 2024; and (d) the Target Company having acquired 100% interest in the Singapore Co. and the relevant registration having been completed; and
- (3) the balance of RMB5,000,000, representing approximately 35.7% of the consideration, shall be paid within ten (10) working days after the satisfaction of the following conditions: (a) the continuing satisfaction of the Conditions Precedent; (b) the achievement of the relevant R&D Targets within six months after payment of the second instalment of the subscription price for the Subscription and the consideration for the Sale Interest; and (c) the Target Company having entered into a new and irrevocable equity financing agreement with new investor(s).

Notwithstanding the above, the Target Company may request early payment of the second and the third instalments of the consideration for the Sale Interest by the Purchaser upon satisfaction of the condition set out in 3(c) above, provided that such amount paid by the Purchaser shall not be utilised unless and until the initial amount of the new investment has been received by the Target Company.

Basis for determining the subscription price for the Subscription and the consideration for the Acquisition

The subscription price for the Subscription and the consideration for the Acquisition was determined upon arm's length negotiations between the parties with reference to (i) the valuation of the Target Company as at 30 April 2024 (the "**Valuation Date**") conducted by an independent valuer (the "**Valuer**") in the amount of RMB186,916,000; (ii) the 30% attributable interest to be acquired by the Purchaser; and (iii) the business and funding needs of the Target Group.

The Valuer is a company incorporated in Hong Kong in 2013, specialising in valuation, internal control review, risk management and environmental, social, and corporate governance reporting services for listed and private companies. The signatory of the valuation report is a Chartered Financial Analyst charterholder, member of CPA Australia, professional member of Royal Institution of Chartered Surveyors, member of the Australasian Institute of Mining & Metallurgy and Registered Business Valuer. The signatory has 16 years' experience in business valuation. The signatory oversees the business valuation services of the Valuer and has provided a wide range of valuation services to listed companies and private entities in different industries in the PRC, Hong Kong and Singapore.

The valuation was conducted in accordance with International Valuation Standards 2022 ("**IVS 2022**") issued by International Valuation Standards Council ("**IVSC**") and with reference to Guideline No. 14 for Asset Valuation Expert – Asset Valuation of Science and Technology Enterprises (《資產評估專家指引第14號－科創企業資產評估》) (the "**Guideline No. 14**") published by the China Appraisal Society. The valuation was carried out on an equitable value basis. According to IVS 2022, equitable value is defined as "the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties".

In the valuation exercise, the value of the subject business interest was developed through the application of the market approach known as guideline transactions method. In accordance with IVS 2022, the guideline transactions method utilises information on transactions involving assets that are the same as or similar to the subject asset to arrive at an indication of value. The guideline transactions method requires the proper selection of valuation metrics/comparable evidence and calculation of the selected valuation metrics of comparable transactions to derive the value of the subject business interest.

Under the guideline transactions method, the valuation metrics adopted is valuation expansion multiple (the "**VM Index**"). The VM Index in this valuation exercise was calculated based on the following formula:

VM Index = (Pre-money valuation of current funding round/Post-money valuation of previous funding round) ^ (1/Number of months between two funding rounds)

The above formula was modified from the formula under the Guideline No. 14 as set out below:

$$\text{VM Index} = \frac{\text{Pre-money valuation of current funding round}}{\text{Post-money valuation of previous funding round}} \times \frac{1}{\text{Number of months between two funding rounds}}$$

The modified formula for calculating the VM Index was adopted because the Valuer considers that it is more in line with the concept of “valuation expansion” between funding rounds.

According to the Guideline No. 14, the VM Index is a valuation method often used when the company is still in the concept stage or start-up stage. The VM Index was adopted under the guideline transactions method because the Target Company was incorporated in 2022 and was still in the start-up and pre-revenue stages as at the Valuation Date. According to the information provided by the Target Company, there was only one historical funding round in December 2022 for the Target Company as at the Valuation Date. Since the calculation of VM Index requires two funding rounds and VM Index cannot be calculated for the single funding round of the Target Company, VM Indexes of funding rounds of comparable companies were used instead for this valuation exercise.

Another reason for adopting the VM Index in this valuation exercise was that the progress of research and development of the products of the Target Company is in line with the “valuation expansion” concept of VM Index. According to the information provided by the Target Company, the following milestones (the “**Milestones**”) have been achieved by the Target Company between the funding round in December 2022 and the Valuation Date:

April 2023: Completion of the development of the first version of the magnetic wire, which can be guided by a handheld magnetic block to penetrate the silicone blood vessels.

June 2023: Completion of the magnetic field simulation, structural design and printed circuit board design of the entire prototype and being in preparation for making the prototype.

October 2023: Completion of the structural and electronic design of the electromagnetic system. Confirmation of the bill of materials and supplier list. Completion of the first hardware prototype of the electromagnetic system which is compatible with the head and neck.

January 2024: Completion of the development of the first generation of the electromagnetic system prototype, which can remotely control the movement of the magnetic wire in the silicone blood vessels through a hand-controlled lever.

The key assumptions adopted by the Valuer in relation to the valuation are as follows:

- there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the operation of the Target Company;
- there will be no major changes in the current taxation laws in the PRC;
- there will be no material fluctuation of the finance costs and availability of finance in the PRC;
- the Target Company will comply with all legal and regulatory requirements for its principal operation;
- the development of the Target Company will not be constrained by the availability of finance and there will be no material fluctuation of the finance costs;
- there will not be any adverse events beyond the control of the management of the Target Company, including natural disasters, catastrophes, fire, explosion, flooding, riots, acts of terrorism, epidemics and pandemics that may adversely affect the operation of the Target Company;
- the future movement of exchange rates and interest rates will not differ materially from prevailing market rates; and
- the Target Company will retain competent management, key personnel and technical staff for its operation and the relevant shareholders will support its ongoing operation.

To the Directors' best information and knowledge, having discussed with the Valuer, the above key assumptions are consistent with market practice, and are fair and appropriate.

Since the Target Company is principally engaged in the research and development, production and commercialisation of artificial intelligence medical robots, with a view to selecting appropriate comparable transactions, the Valuer focused on those private funding rounds of companies principally engaged in the surgical robotics industry.

Selection criteria of comparable transactions are as follows:

1. private funding rounds of companies principally engaged in the surgical robotics industry; and
2. the dates of agreements in respect of private funding rounds fall within the period from 1 June 2016 to 30 April 2024.

Based on the above selection criteria, the Valuer has selected 19 comparable transactions of private funding rounds of Shanghai MicroPort MedBot (Group) Co., Ltd. (stock code: 2252), Shenzhen Edge Medical Co., Ltd., Rainmed Medical Limited (stock code: 2297), Harbin Sagebot Intelligent Medical Equipment Co., Ltd and CMR Surgical.

The profiles of the comparable companies based on public information are set out below:

Company Name: Shanghai MicroPort MedBot (Group) Co., Ltd.

Company Description: Shanghai MicroPort MedBot (Group) Co., Ltd. is a company engaged in the development of surgical instruments. The company's main business is the design, development and commercialization of innovative surgical robots. The company's products include Toumai Laparoscopic Surgical Robot, DFVision 3D Electronic Laparoscope and Honghu Orthopedic Surgical Robot. The company's surgical robots are used in multiple minimally invasive surgery fields, including endoscopic surgery, orthopedic surgery, pan-vascular surgery, natural cavity surgery and percutaneous puncture surgery. In addition, the company also provides education and training services for its surgical robot MedBot.

Portion of revenue generated from surgical robotics industry for the latest financial year: 100% for 2023

Company Name: Shenzhen Edge Medical Co., Ltd.

Company Description: Shenzhen Edge Medical Co., Ltd. was founded on 4 May 2017 in Shenzhen. The company is committed to designing, developing and manufacturing surgical robots, focusing on minimally invasive surgical robots and instruments, and providing innovative solutions for surgical operations.

Portion of revenue generated from surgical robotics industry for the latest financial year: Not applicable as there was zero revenue for Shenzhen Edge Medical Co., Ltd. in 2021, which is the latest financial year with publicly available financial information.

Company Name:	Rainmed Medical Limited
Company Description:	Rainmed Medical Limited is a China-based investment holding company. The company is primarily engaged in research and development, manufacturing and commercialization of medical instrument related to coronary angiography-derived fractional flow reserve (caFFR) system and coronary angiography-derived index of microvascular resistance (caIMR) system. The company's core products, caFFR system and caIMR system, are innovative medical devices used to evaluate the severity of myocardial ischemia arising from coronary artery stenosis and microvascular dysfunction, which are the underlying causes of coronary artery diseases (CAD). They are designed to eliminate the usage of pressure wires, significantly reduce the risk of technical errors and operation time, and improve physiological assessment. The company mainly operates its businesses in the domestic and overseas markets.
Portion of revenue generated from surgical robotics industry for the latest financial year:	100% for 2023
Company Name:	Harbin Sagebot Intelligent Medical Equipment Co., Ltd
Company Description:	Harbin Sagebot Intelligent Medical Equipment Co., Ltd was founded in 2013, which is a high-tech enterprise focusing on the research and development, production and sales of surgical robots. The company is committed to creating intelligent surgical tools for doctors, providing comprehensive diagnosis and treatment programs for patients, and making all kinds of surgical operations more accurate and convenient. After many years of exploration and accumulation, the company has formed a series of core technologies and original achievements in the field of surgical robots. The company has developed an extensive surgical robot matrix with those for keyhole surgery at its core, which is suitable for urology, gynecology, general surgery, thoracic surgery, otorhinolaryngology, head and neck surgery, orthopedics and other departments.
Portion of revenue generated from surgical robotics industry for the latest financial year:	100% for 2021, which is the latest financial year with publicly available financial information.

Company Name:	CMR Surgical
Company Description:	CMR Surgical was found in 2014 and is a British medical device company based in Cambridge. The company is a developer of surgical robotic systems designed to bring the benefits of minimal access surgery to all patients. The company's systems are making minimal access surgery universally accessible and affordable by significantly expanding the range of procedures that can be performed by robots, enabling surgeons to access 3D high-definition imagery along with feedback during the operation.
Portion of revenue generated from surgical robotics industry for the latest financial year:	Since CMR Surgical is a private company, financial information is not publicly available.

The major parameters adopted for the calculation of the entire equity value of the Target Company as at the Valuation Date using the guideline transactions method are as follows:

1. The valuation metrics adopted for guideline transactions method is VM Index.
2. The average VM Index of comparable transactions was calculated to be 1.121.
3. Post-money valuation of previous funding round of the Target Company is RMB30,000,000.
4. Date of previous funding round of the Target Company is December 2022.
5. Number of months between previous funding round and the Valuation Date is calculated to be 16.

Taking into account (i) the qualifications and experience of the Valuer; (ii) the reasons for adopting the market approach in the valuation of the Target Company; (iii) the assumptions adopted by the Valuer in conducting the valuation; and (iv) the selection of comparable companies and the parameters adopted by the Valuer in the valuation, the Company considers that the valuation of the Target Company conducted by the Valuer is fair and reasonable.

In light of the above, the Directors are of the view that the subscription price for the Subscription and the consideration for the Acquisition are fair and reasonable and in the interest of the Company and its shareholders as a whole.

The Group intends to satisfy the subscription price for the Subscription and the consideration for the Acquisition by internal resources of the Group.

Conditions precedent

Completion of the transactions under the Agreement is condition upon the satisfaction or waiver (if applicable) of the following conditions (the “**Conditions Precedent**”):

- (1) the Purchaser being satisfied with the results of its due diligence on the legal, business and financial affairs of the Target Company, and all issues discovered during the due diligence having been resolved or solutions having been agreed upon;
- (2) all parties to the Agreement (except the Purchaser) having executed and delivered all relevant transaction documents to the Purchaser;
- (3) all representations and warranties made by the parties to the Agreement (except the Purchaser) as set out in the Agreement and the Shareholders’ Agreement being true, accurate, complete and not misleading as at the date of the Agreement and the date of completion;
- (4) during the period from the date of the Agreement to the date of completion, no event or circumstance having occurred that have or may have any material adverse impact on the legal existence, production management, business license, product registration, business operation, financial position, assets, business reputation or other important aspects of the Target Company, and no dividends, distributions or other matters beyond the normal scope of operation of the Target Company having occurred;
- (5) the shareholders and board of directors of the Target Company having approved the Agreement and the transactions contemplated thereunder;
- (6) the Purchaser and the Company having approved the Agreement and the transactions contemplated thereunder and complied with the relevant requirements under the Listing Rules; and
- (7) the Existing Shareholder C and the Existing Shareholder D having paid up their respective capital contribution to the Target Company.

As at the date of this announcement, the conditions set out in (1) to (6) above have been satisfied.

Completion

Completion shall take place on the date on which the registration of the 30% equity interest in the Target Company transferred to the Purchaser has been completed and a new business license has been issued to the Target Company, which should be completed within ten (10) working days after the signing and taking effect of the Agreement. Completion of the Subscription and the Acquisition are inter-conditional.

The Target Company will not become a subsidiary of the Company as a result of the Subscription and the Acquisition and its financial results will not be consolidated in the financial statements of the Group.

Termination or compensation

If the Target Company fails to achieve any of the R&D Targets as scheduled, the Purchaser will allow a grace period of two (2) months. Upon the expiration of the grace period, if the Target Company still fails to achieve such R&D Targets, the Purchaser shall be entitled to elect to:

- (i) terminate the Agreement and require the Vendor, the Existing Shareholder A and the Target Company to refund the amount already paid by the Purchaser for the Subscription and the Acquisition in full and pay a capital occupation cost equivalent to 10% per annum of the amount already paid by the Purchaser under the Agreement; or
- (ii) continue with the Agreement and require the Vendor and the Existing Shareholder A to pay compensation to the Purchaser for the losses suffered by the Purchaser.

Security

To secure the Vendor's obligations under the Agreement and the related investment agreements, 100% of the Vendor's equity interest held by QURON and 100% of QURON's equity interest held by Ms. Lee Shao Li have been charged in favour of, among others, the Purchaser.

THE SHAREHOLDERS' AGREEMENT

On 15 August 2024, the parties to the Agreement also entered into the Shareholders' Agreement in respect of the Target Company. The principal terms of the Shareholders' Agreement are summarised as follows:

The board of directors

The Target Company's board of directors shall comprise five (5) directors, of which (a) the Vendor shall have the right to nominate two (2) directors; (b) the Purchaser shall have the right to nominate two (2) directors; (c) the Existing Shareholder C and the Existing Shareholder D together shall have the right to nominate one (1) director. The chairman of the board shall be a director nominated by the Purchaser.

Pre-emptive right

If the Target Company plans to increase the registered capital, each shareholder has the right (but not the obligation) to subscribe for the additional capital in proportion to the shareholding percentage of such shareholder in the Target Company.

If the Target Company decides to increase capital, it shall deliver a written notice to each shareholder. A shareholder who wishes to exercise the pre-emptive right shall notify the Target Company in writing within twenty (20) working days after receiving the notice from the Target Company. If a shareholder fails to respond within the aforesaid period, it shall be deemed to have waived the pre-emptive right, in which case the other shareholders may subscribe for the portion of the capital not subscribed in proportion to their respective shareholding in the Target Company.

Restriction on transfer of interest

Without the prior written consent of all shareholders, the Vendor and the Existing Shareholder A shall not transfer, dispose of or create encumbrance on any of their equity interests in the Target Company. There is no restriction on transfer of interest by other shareholders of the Target Company, provided that no shareholder may transfer, dispose of or create encumbrance on any of their equity interests in the Target Company to a competitor of the Target Company without the prior written consent of the Vendor and the Existing Shareholder A.

Right of first refusal

If any of the Vendor and the Existing Shareholder A (each a “**Transferor**”) intends to dispose of its equity interest in the Target Company to any third party (the “**Transferee**”), the other shareholders of the Target Company shall have a right of first refusal to acquire such interest on the same terms and conditions in proportion to their respective shareholding in the Target Company.

Tag-along right

If a Transferor proposes to transfer any of its equity in the Target Company to a Transferee, each other shareholders of the Target Company shall have the right but not obligation to transfer their equity interest in the Target Company on the same terms and conditions. In the event the Transferee refuses to acquire or fails to complete the acquisition from the other shareholders who exercise their tag-along right, the Transferor shall not proceed with the proposed transfer with the Transferee unless the Transferor acquires such shareholders’ equity interest on the same terms and conditions.

INFORMATION ON THE TARGET GROUP

The Target Company is a company established in the PRC with limited liability. The Target Company is principally engaged in the research and development, production and commercialisation of artificial intelligence medical robots.

The shareholding structure of the Target Company as at the date of this announcement and immediately after completion of the Subscription and the Acquisition is set out below:

	As at the date of this announcement	Immediately after completion of the Subscription	Immediately after completion of the Acquisition
The Purchaser	–	20%	30%
The Vendor	45%	36%	26%
The Existing Shareholder A	22.5%	18%	18%
The Existing Shareholder B	22.5%	18%	18%
The Existing Shareholder C	6%	4.8%	4.8%
The Existing Shareholder D	4%	3.2%	3.2%
Total	100%	100%	100%

The unaudited financial results of the Target Group (prepared under the PRC GAAP) for the period ended 31 December 2022 and for the year ended 31 December 2023 are as follows:

	For the period ended 31 December 2022 (Unaudited) RMB '000 (Note)	For the year ended 31 December 2023 (Unaudited) RMB '000
Net loss before tax	–	1,578
Net loss after tax	–	1,578

The unaudited net liability value of the Target Company as at 31 December 2023 was approximately RMB1,578,000.

Note: The Target Company was established on 30 September 2022.

INFORMATION ON OTHER PARTIES TO THE AGREEMENT

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 DITCM diagnosis and treatment equipment.

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in the development, service, and transfer of technology.

The Vendor is a company established in Hong Kong with limited liability and is principally engaged in investment and management. As at the date of this announcement, the Vendor is indirectly wholly owned by Ms. Lee Shao Li through QURON.

The Existing Shareholder A is a limited partnership established under the PRC laws and is principally engaged in investment and management. As at the date of this announcement, the general partner of the Existing Shareholder A is Beijing Qubot Xingzhou Technology Limited (北京思博星洲科技有限公司) (“**Qubot Xingzhou**”), which is owned as to 99% by the Vendor and 1% by Ms. Dai Meihua. Qubot Xingzhou holds 99% interest in the Existing Shareholder A and the limited partner of the Existing Shareholder A, namely Ms. Liu Yan holds the other 1%.

The Existing Shareholder B is a limited partnership established under the PRC laws and is principally engaged in investment and management. As at the date of this announcement, the general partner of Existing Shareholder B is Qubot Xingzhou which holds 20% interest in it. The Existing Shareholder B has five limited partners, namely Ms. Li Jie, Ms. Wu Lanlan, Mr. Yang Yuanning, Ms. Zhang Zhuo and Ms. Zhao Hong, who hold 32%, 20%, 12%, 12% and 4% interest in the Existing Shareholder B respectively.

The Existing Shareholder C is a PRC national.

The Existing Shareholder D is a limited partnership established under the PRC laws and is principally engaged in investment and management. As at the date of this announcement, the general partner of The Existing Shareholder D is Beijing Borui Weiyuan Technology Limited (北京柏睿維遠科技有限公司) (“**Borui Weiyuan**”) which holds 90% interest in it and the limited partner of the Existing Shareholder D, namely Mr. Mei Jiachi holds the other 10% interest. The Existing Shareholder C and Ms. Yang Yang hold 40% and 60% interest in Borui Weiyuan respectively.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Target Company, the Vendor, the Existing Shareholder A, the Existing Shareholder B, the Existing Shareholder C and the Existing Shareholder D and their respective ultimate beneficial owners is independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Target Company is principally engaged in the research and development, production and commercialisation of artificial intelligence medical robots, and its research and development results have favourable market prospects. The valuation of the Target Company is in line with the market financing pricing of similar enterprises. The investment in the Target Company will help enhance the Group’s business development in the field of smart healthcare.

In light of the above, the Directors are of the view that the terms of the Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) exceeds 5% but is less than 25%, the Subscription and the Acquisition together constitute a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors had a material interest in the Agreement and the transactions contemplated thereunder and no Director was required under the Listing Rules to abstain from voting on the Board resolutions approving the Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Interest by the Purchaser pursuant to the Agreement
“Agreement”	the investment agreement dated 15 August 2024 entered into among the Purchaser, the Vendor, the Target Company, the Existing Shareholder A, the Existing Shareholder B, the Existing Shareholder C and the Existing Shareholder D in relation to the Subscription and the Acquisition
“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)
“Conditions Precedent”	has the meaning ascribed to it under the section headed “The Agreement – Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Shareholder A”	北京思博慧众科技发展中心(有限合伙) a limited partnership established under the PRC laws
“Existing Shareholder B”	北京聚胜科技发展中心(有限合伙), a limited partnership established under the PRC laws

“Existing Shareholder C”	Mr. Fan Donggan (范棟干), a PRC national
“Existing Shareholder D”	北京柏康企業管理中心(有限合夥), a limited partnership established under the PRC laws
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“PRC GAAP”	the generally accepted accounting principles of the PRC
“Purchaser”	深圳市江天永健科技有限公司(Shenzhen Jiangtian Yongjian Technology Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“QURON”	QURON INC., a company incorporated under the laws of the British Virgin Islands with limited liability and the holding company of the Vendor
“R&D Targets”	certain research and development targets stipulated under the Agreement in relation to the development, manufacturing and sales of intelligent magnetic navigation neurointerventional surgical robot by the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	10% of the total equity interest of the Target Company immediately after the Subscription
“Shareholders’ Agreement”	the shareholders’ agreement dated 15 August 2024 entered into between the Purchaser, the Vendor, the Existing Shareholder A, the Existing Shareholder B, the Existing Shareholder C, the Existing Shareholder D and the Target Company in respect of the Target Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of equity interest representing 20% of the total equity interest of the Target Company immediately after the Subscription by the Purchaser pursuant to the Agreement
“Target Company”	北京思博慧醫科技有限公司, a company established in the PRC with limited liability
“Target Group”	the Target Company and its subsidiaries
“Vendor”	QUBOT Holdings Limited, a company established in Hong Kong with limited liability
“%”	per cent.

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

Hong Kong, 15 August 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, Mr. Tong Jian, Ms. Tang Yinghong and Ms. Wu Wennan.