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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)**

**VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO AMENDMENTS TO FINANCE  
LEASE AGREEMENT II AND  
FINANCE LEASE AGREEMENT III**

**THE AMENDED AND RESTATED FINANCE LEASE AGREEMENTS**

On 9 September 2024, Huangshi Huangyuan, as lessee, and Hebei Financial Leasing, as lessor, entered into the Amended and Restated Finance Lease Agreement II to amend certain terms thereof.

On 9 September 2024, Feixi Zhonghui, as lessee, and Hebei Financial Leasing, as lessor, entered into Amended and Restated Finance Lease Agreement III to amend certain terms thereof.

The amendments to the Finance Lease Agreement II and the Finance Lease Agreement III are summarized as follows:

	Finance Lease Agreement II		Finance Lease Agreement III	
	Original terms	New terms	Original terms	New terms
Consideration for the sale and purchase of the leased assets	RMB90,000,000	RMB90,000,000	RMB100,000,000	RMB95,000,000
Interest rate	5.85%	5.45%	5.85%	5.45%
Term	10 years	12 years	10 years	12 years

Save for the above, all other principal terms and conditions of the Finance Lease Agreement II and the Finance Lease Agreement III remain unchanged and continue to be in full force and effect.

The Amended and Restated Finance Lease Agreements shall become effective upon being approved at the EGM.

## **IMPLICATIONS UNDER THE LISTING RULES**

Under the Amended and Restated Finance Lease Agreements, the legal ownership of the Leased Assets II and the Leased Assets III will be transferred to Hebei Financial Leasing and thus will constitute a disposal of assets. As the highest applicable percentage ratio exceeds 75%, such transactions under the Amended and Restated Finance Lease Agreements constitute a very substantial disposal of the Company which is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Amended and Restated Agreements and the transactions contemplated thereunder.

The voting in respect of the Amended and Restated Finance Lease Agreements at the EGM will be conducted by way of poll. To the best knowledge of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of their associates has any material interest in the Amended and Restated Finance Lease Agreements and the transactions contemplated thereunder, and will be required to abstain from voting on the relevant resolution(s) to approve the Amended and Restated Finance Lease Agreements and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further information on the Amended and Restated Finance Lease Agreements and the transactions contemplated thereunder; (ii) other information as required under the Listing Rules; and (iii) a notice of the EGM, is expected to be despatched to the Shareholders on or before 31 October 2024 as additional time is required for the preparation of the relevant information to be included in the circular.

References are made to the announcement of the Company dated 28 April 2023 and the circular of the Company dated 25 May 2023 in relation to, among other matters, the Finance Lease Agreement II and Finance Lease Agreement III and the transactions contemplated thereunder, and the poll results announcement of the Company dated 13 June 2023 in relation to, among other matters, the approval of the Finance Lease Agreement II and Finance Lease Agreement III and the transactions contemplated thereunder by the shareholders of the Company.

Reference is also made to the announcement of the Company dated 9 September 2024 in relation to the amendments of the Finance Lease Agreement II and Finance Lease Agreement III.

## **BACKGROUND**

On 28 April 2023, (i) Huangshi Huangyuan, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement II in respect of the Leased Assets II; and (ii) Feixi Zhonghui, as lessee, and Hebei Financial Leasing, as lessor entered into the Finance Lease Agreement III in respect of the Leased Assets III.

As the Company's financial needs regarding Finance Lease Agreement II and Finance Lease Agreement III were delayed due to the completion of the Company's other financing activities such as disposals of certain subsidiaries and other finance lease arrangements, completion of the Finance Lease Agreement II and Finance Lease Agreement III has not taken place at the material time after the Finance Lease Agreement II and Finance Lease Agreement III were approved at the extraordinary general meeting of the Company on 13 June 2023. As such, the Leased Assets were not disposed of or subject to sale and leaseback arrangement at the material time and Huangshi Huangyuan and Feixi Zhonghui have retained ownership in the Leased Assets II and Leased Assets III respectively. The fact that the Finance Lease Agreements were not completed did not constitute a breach of the Finance Lease Agreements on the part of Huangshi Huangyuan or Feixi Zhonghui.

On 9 September 2024, the respective parties to the Finance Lease Agreement II and Finance Lease Agreement III entered in to the Amended and Restated Finance Lease Agreement II and the Amended and Restated Finance Lease Agreement III respectively.

## **THE AMENDED AND RESTATED FINANCE LEASE AGREEMENT II**

On 9 September 2024, Huangshi Huangyuan, as lessee, and Hebei Financial Leasing, as lessor, entered into the Amended and Restated Finance Lease Agreement II.

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

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

Pursuant to the Amended and Restated 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 Amended and Restated 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 Amended and Restated Finance Lease Agreement II.

## Conditions precedent

Under the Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Finance Lease Agreement II;
- (e) Hebei Financial Leasing having received from Huangshi Huangyuan the relevant payment application specifying the payment details; and
- (f) other conditions considered necessary by Hebei Financial Leasing.

As at the date of this announcement, only condition precedent (d) of the above has been satisfied and the Company does not foresee any difficulties for the remaining conditions precedent to be satisfied. The Company expects to complete the Amended and Restated Finance Lease Agreement II before 31 December 2024.

## Lease back arrangements

Pursuant to the Amended and Restated Finance Lease Agreement II, Hebei Financial Leasing agreed to lease the Leased Assets II back to Huangshi Huangyuan for a term of 12 years.

## Lease payments

Pursuant to the Amended and Restated Finance Lease Agreement II, the total estimated aggregate lease payments payable by Huangshi Huangyuan to Hebei Financial Leasing shall be approximately RMB123,718,000 in 48 quarterly instalments, being the principal lease cost of RMB90,000,000 plus the estimated aggregate interest of approximately RMB33,718,000. The estimated interests are calculated at a rate of 5.45% determined with reference to the LPR on 22 July 2024 at 3.85% plus 160 basis point. The lease interest rate shall be adjusted in 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Finance Lease Agreement II were determined after arm's length negotiations between the parties to the Amended and Restated Finance Lease Agreement II with reference to the principal amounts of the lease or the consideration for the Leased Assets II under the Amended and Restated Finance Lease Agreement II and the prevailing market interest rate for finance lease of comparable assets.

### **Pledges II**

As a collateral security for due and punctual payment and performance of, amongst other things, the obligations of Huangshi Huangyuan under the Amended and Restated Finance Lease Agreement II, (i) Huangshi Huangyuan entered into a receivables pledge agreement with Hebei Financial Leasing on 9 September 2024 under which Huangshi Huangyuan pledges to Hebei Financial Leasing on all income arising from the Leased Assets II including electricity bill receivables and government subsidies receivables by Huangshi Huangyuan; and (ii) Kong Sun Yongtai entered into an equity interest pledge agreement with Hebei Financial Leasing on 9 September 2024 under which Kong Sun Yongtai pledges to Hebei Financial Leasing the entire equity interest in Huangshi Huangyuan.

### **AMENDED AND RESTATED FINANCE LEASE AGREEMENT III**

On 9 September 2024, Feixi Zhonghui, as lessee, and Hebei Financial Leasing, as lessor, entered into Amended and Restated Finance Lease Agreement III.

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

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

Pursuant to the Amended and Restated Finance Lease Agreement III, Hebei Financial Leasing would purchase the Leased Assets III from Feixi Zhonghui for a total consideration of RMB95,000,000. 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 Amended and Restated 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 Amended and Restated Finance Lease Agreement III.

## **Conditions precedent**

Under the Amended and Restated Finance Lease Agreement III, the first tranche of the consideration in the amount of not exceeding RMB30,000,000 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Finance Lease Agreement III; and
- (e) Hebei Financial Leasing having received from Feixi Zhonghui the relevant payment application specifying the payment details.

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

As at the date of this announcement, only condition precedent (d) for the first tranche of the consideration has been satisfied and the Company does not foresee any difficulties for the remaining conditions precedent to be satisfied. The Company expects to complete the Amended and Restated Finance Lease Agreement III before 31 December 2024.

### **Lease back arrangements**

Pursuant to the Amended and Restated Finance Lease Agreement III, Hebei Financial Leasing agreed to lease the Leased Assets III back to Feixi Zhonghui for a term of 12 years.

### **Lease payments**

Pursuant to the Amended and Restated Finance Lease Agreement III, the total estimated aggregate lease payments payable by Feixi Zhonghui to Hebei Financial Leasing shall be approximately RMB130,591,000 in 48 quarterly instalments, being the principal lease cost of RMB95,000,000 plus the estimated aggregate interest of approximately RMB35,591,000. The estimated interests are calculated at a rate of 5.45% determined with reference to the LPR on 22 July 2023 at 3.85% plus 160 basis point. The lease interest rate shall be adjusted in 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Finance Lease Agreement III were determined after arm's length negotiations between the parties to the Amended and Restated Finance Lease Agreement III with reference to the principal amounts of the lease or the consideration for the Leased Assets III under the Amended and Restated Finance Lease Agreement III and the prevailing market interest rate for finance lease of comparable assets.

### **Pledges III**

As a collateral security for due and punctual payment and performance of, amongst other things, the obligations of Feixi Zhonghui under the Amended and Restated Finance Lease Agreement III, (i) Feixi Zhonghui entered into a receivables pledge agreement with Hebei Financial Leasing on 9 September 2024 under which Feixi Zhonghui pledges to Hebei Financial Leasing on all income arising from the Leased Assets III including electricity bill receivables and government subsidies receivables by Feixi Zhonghui; and (ii) Jinan Tianguan entered into an equity interest pledge agreement with Hebei Financial Leasing on 9 September 2024 under which Jinan Tianguan pledges to Hebei Financial Leasing the entire equity interest in Feixi Zhonghui.

The revised consideration under the Amended and Restated Finance Lease Agreement III was determined after arm's length negotiations between parties to the Amended and Restated Finance Lease Agreement III by reference to, among others, the latest financial needs of the Group, the recent financial position of the Group and the prevailing market terms and practices.

The revised interest rate under the Amended and Restated Finance Lease Agreements was determined after arm's length negotiations between parties to the Amended and Restated Finance Lease Agreements by reference to, among others, the recent financial position of the Group, the market interest rate and condition of the Leased Assets.

### **REASONS FOR AND BENEFITS OF THE AMENDMENTS**

The Finance Lease Arrangements and the transactions contemplated thereunder are common in the industry and 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 for repayment of existing loans including instalment repayment and interest due.

The amendments to the Finance Lease Agreement II and the Finance Lease Agreement III were determined after arm's length negotiations between the parties with reference to, among others, the latest financial needs of the Group, the recent financial position of the Group and the prevailing market terms and practices. Among others, a decrease in the interest rate would reduce the financing cost of the Group while a longer repayment term would better suit the Group's objectives in cashflow management. The Directors therefore consider that the amendments to the Finance Lease Agreement II and the Finance Lease Agreement III 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 2023, the unaudited book value (prepared under the PRC GAAP) of the Leased Assets II was approximately RMB149,564,000. On this basis, the loan-to-value ratio under the Amended and Restated Finance Lease Agreement II is approximately 60.2%. Taking into account the funding needs of the Group, the interest rate under the Amended and Restated Finance Lease Agreement II and the commercial negotiations with Hebei Financial Leasing, the Board takes the view that such loan-to-value ratio is fair and reasonable.

	<b>For the year ended 31</b>	
	<b>December</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
The profit before tax attributable to the Leased Assets II	<b>14,420</b>	16,593
The profit after tax attributable to the Leased Assets II	<b>10,815</b>	14,519

As at 31 December 2023, the unaudited book value (prepared under the PRC GAAP) of the Leased Assets III was approximately RMB106,505,000. On this basis, the loan-to-value ratio under the Amended and Restated Finance Lease Agreement III is approximately 89.2%. Taking into account the funding needs of the Group, the interest rate under the Amended and Restated Finance Lease Agreement III and the commercial negotiations with Hebei Financial Leasing, the Board takes the view that such loan-to-value ratio is fair and reasonable.

	<b>For the year ended 31</b>	
	<b>December</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
The profit before tax attributable to the Leased Assets III	<b>9,276</b>	11,041
The profit after tax attributable to the Leased Assets III	<b>6,957</b>	8,281

## **FINANCIAL EFFECT OF THE AMENDMENTS**

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 the Group's average cost of borrowing, the reduction of finance cost will be beneficial to the Group and the Shareholders as a whole. Upon the Amendments becoming effective, after deducting the incidental costs attributable to the Finance Lease Arrangements, the Group will receive net disposal proceeds of approximately RMB184,000,000 in aggregate under the Finance Lease Arrangements. It is expected that the net disposal proceeds will be used for repayment of existing loans including instalment repayment and interest due, by 30 June 2025.

## **INFORMATION ON THE COMPANY, JINAN TIANGUAN AND THE LESSEES**

The Company is principally engaged in the investment in and operation of solar power plants, provision of financial services and asset management, construction of Digital and Intelligent Traditional Chinese Medicine (“DI-TCM”) health management and service system and provision of DI-TCM diagnosis and treatment equipment, and provision of solar power plant operation and maintenance services.

Jinan Tianguan is a company established in the PRC and an indirect wholly-owned subsidiary of the Company, which is principally engaged in investment in and operation of solar power plants. As at the date of this announcement, Jinan Tianguan was 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 was 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 was 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 was held as to approximately 21.43%, 15.31%, 15.31%, 11.32%, 7.04%, 6.63%, 6.5%, 5.74%, 5.74% and 4.98% by 河北建設投資集團有限責任公司 (Hebei Construction & Investment Group Co., Ltd.\*), 新奧控股投資股份有限公司 (ENN Holdings Investment Co., Ltd.\*), 石家莊國控城市發展投資集團有限責任公司 (Shijiazhuang Guokong Urban Development Investments Group Co., Ltd.\*), 新奧集團股份有限公司 (ENN Group Co., Ltd.\*), 冀南鋼鐵集團有限公司 (Ji'nan Steel Group Co., Ltd.\*), 河北省資產管理有限公司 (Hebei Asset Management Co., Limited), 唐山國控集團有限公司 (Tangshan Guokong Group Co., Ltd.\*), 西安金匯汽車服務有限公司 (Xi'an Jinhui Automobile Service Co., Ltd.\*), 上海德力西集團有限公司 (Shanghai Delixi Group Co., Ltd.\*) and 華美現代流通發展有限公司 (Huamei Modern Circulation Development Co., Ltd.\*), respectively.

As at the date of this announcement, the ultimate beneficial owners of Hebei Financial Leasing were 河北省人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province), 王玉鎖 (Wang Yusuo), 石家莊市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of Shijiazhuang Municipal People's Government), 王樹華 (Wang Shuhua), 唐山市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Tangshan Municipal People's Government), 徐敏俊 (Xu Minjun), 胡成中 (Hu Chengzhong) and 張文中 (Zhang Wenzhong), with effective interest of 28.06%, 26.63%, 15.31%, 7.04%, 6.5%, 5.74%, 5.74% and 4.98%, 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**

Under the Amended and Restated Finance Lease Agreements, the legal ownership of the Leased Assets II and the Leased Assets III will be transferred to Hebei Financial Leasing and thus will constitute a disposal of assets. As the highest applicable percentage ratio exceeds 75%, such transactions under the Amended and Restated Finance Lease Agreements constitute a very substantial disposal of the Company which is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Amended and Restated Finance Lease Agreements and the transactions contemplated thereunder.

The voting in respect of the Amended and Restated Finance Lease Agreements at the EGM will be conducted by way of poll. To the best knowledge of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of their associates has any material interest in the Amended and Restated Finance Lease Agreements and the transactions contemplated thereunder, and will be required to abstain from voting on the relevant resolution(s) to approve the Amended and Restated Finance Lease Agreements and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further information on the Amended and Restated Finance Lease Agreements and the transactions contemplated thereunder; (ii) other information as required under the Listing Rules; and (iii) a notice of the EGM, is expected to be despatched to the Shareholders on or before 31 October 2024 as additional time is required for the preparation of the relevant information to be included in the circular.

## DEFINITIONS

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

“Amended and Restated Finance Lease Agreements”	collectively, Amended and Restated Finance Lease Agreement II and Amended and Restated Finance Lease Agreement III
“Amended and Restated Finance Lease Agreement II”	the Amended and Restated Finance Lease Agreement II entered into by Huangshi Huangyuan, as lessee, and Hebei Financial Leasing, as lessor in relation to the amendments of the terms and conditions of the Finance Lease Agreement II
“Amended and Restated Finance Lease Agreement III”	the Amended and Restated Finance Lease Agreement III entered into by Feixi Zhonghui, as lessee, and Hebei Financial Leasing, as lessor, in relation to the amendments of the terms and conditions of the Finance Lease Agreement III
“Amendments”	the amendments to the terms and conditions of Finance Lease Agreement II and Finance Lease Agreement III as set out in the Amended and Restated Finance Lease Agreements
“Board”	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 Amended and Restated Finance Lease Agreements
“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 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 Amended and Restated Finance Lease Agreement II and Amended and Restated Finance Lease Agreement III and the Pledges II and Pledges 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
“Jinan Tianguan”	濟南天冠能源科技有限公司(Jinan Tianguan Energy Technology Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of Kong Sun Yongtai

“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”	collectively, Leased Assets II and Leased Assets III
“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
“MW”	megawatts
“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 RMB106,776,000 as at 31 December 2023); and (b) a pledge of the entire equity interest in Huangshi Huangyuan
“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 RMB63,833,000 as at 31 December 2023); and (b) a pledge of the entire equity interest in Feixi Zhonghui
“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

“%”

per cent.

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

Hong Kong, 30 September 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. Tang Jian, Ms. Tang Yinghong and Ms. Wu Wennan.*

\* *For identification purposes only*