THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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).

江山控股
KongSun Holdings

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 60% INTERESTS IN THE TARGET COMPANY; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 3 to 10 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 11:00 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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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Agreement"	the equity transfer agreement dated 29 January 2024 entered into between the Purchaser and the Vendor in relation to the Proposed Disposal
"Board"	the board of Directors
"Company"	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 295)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approve the Agreement and the transactions contemplated thereunder
"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
"Kong Sun Yongtai"	江山永泰投資有限公司 (Kong Sun Yongtai Investment Holdings Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"PRC GAAP"	the generally accepted accounting principles of the PRC
"Proposed Disposal"	the proposed disposal of the Sale Interest pursuant to the Agreement

"Purchaser"	北京億鑫豐泰科技合夥企業(有限合夥)(Beijing Yixin Fengtai Technology Partnership (Limited Partnership)*)
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Interest"	60% equity interests in the Target Company
"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
"Target Company"	陝西億潤新能源科技有限公司(Shaanxi Yirun New Energy Technology Co., Ltd.*), a company established in the PRC with limited liability
"Target Group"	the Target Company and its subsidiaries
"Valuation Report"	the valuation report prepared by the Valuer in respect of the valuation of 100% equity interest in the Target Company as at 31 December 2023, the text of which is set out in Appendix II to this circular
"Valuer"	Valor Appraisal & Advisory Limited, the independent valuer
"Vendor"	揚州啓星新能源發展有限公司(Yangzhou Qixing New Energy Development Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
"%"	per cent.

* *For identification purposes only*

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 60% INTERESTS IN THE TARGET COMPANY**

INTRODUCTION

Reference is made to the announcement of the Company dated 29 January 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

On 29 January 2024, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement in respect of the Proposed Disposal.

The principal terms of the Agreement are summarised as follows:

The Agreement

Subject matter

Pursuant to the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Interest, representing 60% equity interests in the Target Company.

Consideration

The consideration for the Sale Interest is RMB4,200,000, which shall be payable by the Purchaser to the Vendor in cash in the following manner:

(a) RMB1,260,000, representing 30% of the consideration, shall be paid within ten (10) working days after the taking effect of the Agreement, which is conditional upon the parties having obtained their respective internal approvals in respect of the Proposed Disposal under the applicable laws and their respective constitutional documents; and

(b) the balance of RMB2,940,000, representing 70% of the consideration, shall be paid within ten (10) working days after the transfer of the Sale Interest having been registered with the relevant local administration for industry and commerce in the PRC and a new business license having been issued to the Target Company, and the Purchaser having become the registered shareholder of the Sale Interest.

The consideration for the Proposed Disposal was determined upon arm's length negotiations between the parties with reference to (i) the valuation of the entire equity value of the Target Company in the amount of approximately RMB6,390,000 as at 31 December 2023 as appraised by the Valuer, (ii) the attributable interest represented by the Sale Interest, and (iii) a premium of approximately 9.5% to the valuation amount of the Sale Interest of approximately RMB3,834,000 (RMB6,390,000 x 60%), which was arrived at after taking into account the prospect and the current financial condition of the Target Company.

The Valuer is a company incorporated in Hong Kong in 2013, specializing 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 Certified Practising Accountant Australia, professional member of Royal Institution of Chartered Surveyors, member of the Australasian Institute of Mining & Metallurgy and Registered Business Valuer, with 15 years' experience in business valuation. The Valuer possesses the requisite qualifications for conducting valuation for the Target Company.

The valuation was prepared in accordance with the International Valuation Standards 2022 issued by International Valuation Standards Council. In this valuation exercise, the value of the subject business interest was developed through the application of the market approach technique known as guideline publicly-traded comparable method. The guideline publicly-traded method utilizes information on publicly-traded comparables that are similar to the subject asset to arrive at an indication of value.

The guideline publicly-traded method requires the proper selection of valuation metrics/ comparable evidence and calculation of the selected valuation metrics of comparable companies to derive the value of the subject business interest.

Under the guideline publicly-traded method, the valuation metrics adopted is price-to-book ratio ("**PB Ratio**"). Only PB Ratio was adopted under guideline publicly-traded method because the Target Group did not have profit in 2023 and price-to-earnings ratio, which is another common valuation metrics, is not applicable. Other valuation metrics such as price-to-sales ratio ("**PS Ratio**") and enterprise multiple (Enterprise value to earnings before interest, taxes, depreciation and amortization ("**EBITDA**") ratio) are also not applicable. PS Ratio is not applicable because it is usually only used to value start-up companies for which both the book value and earnings are insignificant or non-existing, but the Target Company is not a start-up company. Enterprise multiple is not applicable because the Target Group did not have EBITDA in 2023.

With a view to selecting appropriate comparable listed companies, the Valuer focused on those companies listed in Hong Kong which are principally engaged in ancillary services for the solar power industry. Since there are no/limited Hong Kong listed companies with over 50% of their revenues for the latest financial year generated from the provision of solar power plant operation and maintenance services, comparable Hong Kong listed companies which are principally engaged in ancillary services for the solar power industry are used instead.

Selection criteria of comparable companies are listed as follows:

1. companies listed in Hong Kong; and

2. companies with over 50% of their revenues for the latest financial year generated from ancillary services for the solar power industry.

Based on the above selection criteria, searching and review procedures, the Valuer selected five comparable companies, namely IRICO Group New Energy Company Limited (438:HK), Solargiga Energy Holdings Limited (757:HK), Xinyi Solar Holdings Limited (968:HK), Xinte Energy Co., Ltd. (1799:HK) and GCL Technology Holdings Limited (3800:HK). The average PB Ratio of these five comparable companies was calculated to be 0.81.

The key assumptions adopted by the Valuer in relation to the valuation are set out 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 the principal operation;

- the development of the subject business interest 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 subject business interest;

- 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.

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; and (iii) the assumptions adopted by the Valuer in conducting 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 consideration for the Proposed Disposal is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Condition precedent

Completion of the Proposed Disposal is subject to the Shareholders having approved the Agreement and the transactions contemplated thereunder at the EGM.

Completion

Completion of the Proposed Disposal shall take place on the date on which the transfer of the Sale Interest is registered with the relevant local administration for industry and commerce in the PRC and a new business license is issued to the Target Company, which should be completed within ten (10) working days after payment of the first instalment of the consideration.

Upon completion of the Proposed Disposal, the Target Company will cease to be a subsidiary of the Company and its financial results will cease to be consolidated in the financial statements of the Group.

Governance structure

After completion of the Proposed Disposal, the board of directors of the Target Company shall comprise three members, two of which shall be nominated by the Purchaser and one of which shall be nominated by the Vendor. The Target Company shall have one supervisor appointed by the Purchaser. The senior management personnel of the Target Company shall be appointed by the Purchaser.

INFORMATION ON THE TARGET GROUP

The Target Company is principally engaged in the provision of solar power plant operation and maintenance services.

As at the Latest Practicable Date, the Target Company was wholly owned by the Company through the Vendor.

The financial results of the Target Group (prepared under the PRC GAAP) for the two years ended 31 December 2023 are as follows:

	For the year ended 31 December	
	2022	**2023**
	(audited)	(unaudited)
	(RMB'000)	*(RMB'000)*
Net profit/(loss) before tax	1,036	(15,741)
Net profit/(loss) after tax	1,294	(15,774)

The reasons for the substantial net loss on 2023 are (i) decrease in revenue of approximately RMB4,400,000 and (ii) increase in cost of sales of approximately RMB12,600,000.

The unaudited net asset value of the Target Company as at 31 December 2023 was approximately RMB11,511,000.

INFORMATION ON THE PARTIES TO THE AGREEMENT

The Vendor is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment and management.

The Purchaser is a limited partnership established in accordance with the PRC laws. The Purchaser is principally engaged in businesses including technology development, consultancy and services. The general partner of the Purchaser is Mr. Zhu Yubin who holds 35% interest in the Purchaser. There are 17 limited partners, among which Mr. Deng Chengli, Mr. Wang Wensheng, Mr. Ling Yun, Mr. Guo Henghua and Mr. Gao Lipeng hold 16.67%, 11.91%, 7.14%, 2.38% and 2.38% interest in the Purchaser respectively, and the remaining 12 limited partners hold an aggregate of 24.52% interest. As at the Latest Practicable Date, (i) Mr. Deng Chengli is a director of the Target Company and one of its subsidiaries, and a director of certain subsidiaries of the Company; (ii) Mr. Wang Wensheng is a director of the Target Company and one of its subsidiaries; (iii) Mr. Guo Henghua is a director of two subsidiaries of the Target Company; and (iv) Mr. Gao Lipeng is a director of a subsidiary of the Target Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, each of the Purchaser and its ultimate beneficial owners is independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF 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.

The Directors consider that it is a good opportunity for the Group to dispose of the Target Company so as to better allocate the Group's resources to other business segments of the Group, and enhance the Group's financial position by reducing the loss of the Group.

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

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS

As at the Latest Practicable Date, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon completion of the Proposed Disposal, the Target Company will cease to be a subsidiary of the Company and its financial results will cease to be consolidated in the financial statements of the Group. The remaining 40% equity interest in the Target Company will be accounted as interest in associates in the Company's financial statements.

Subject to final audit, it is expected that the Group will realise a loss on the Proposed Disposal of approximately RMB5,500,000, which is calculated by reference to (i) the consideration for the Proposed Disposal (i.e. RMB4,200,000), plus the amount to be recorded as interest in an associate for the remaining 40% equity interest of the Target Company (i.e. RMB4,200,000 ÷ 60% x 40% = RMB2,800,000), minus the unaudited net asset value of the Target Company as at 31 December 2023 (i.e. RMB11,511,000), which amounts to approximately RMB4,511,000; and (ii) the related transaction costs, taxes and expenses for the Proposed Disposal of approximately RMB1,000,000. Despite the expected loss on the Proposed Disposal, having taking into consideration the reasons for the Proposed Disposal as stated under the paragraph headed "Reasons and Benefits for the Proposed Disposal" above, the Company is of the view that the Proposed Disposal will be in the interests of the Company and the Shareholders as a whole. The Group intends to apply the net proceeds from the Proposed Disposal, estimated to be approximately RMB3,200,000, for general working capital by the end of 2024.

Upon completion of the Proposed Disposal, the unaudited total assets and the total liabilities of the Group will be decreased by approximately RMB85,742,000 and RMB80,242,000, respectively, the unaudited revenue and the loss before tax of the Group for the year will be decreased by approximately RMB139,430,000 and RMB9,445,000, respectively.

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.

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 11:00 a.m., at which an ordinary resolution will be proposed to approve the Agreement and the transactions contemplated thereunder.

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 Agreement and the transactions contemplated thereunder 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 Agreement and the transactions contemplated thereunder. Hence, no Shareholder is required to abstain from voting on the resolution in relation to the Agreement and the transactions contemplated thereunder at the EGM.

RECOMMENDATION

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder 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 Agreement and the transactions contemplated thereunder.

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. 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 better allocate its resources to other business segments of the Company and the net proceeds from the Proposed Disposal will enhance the Group's financial position for improving the Group's profitability.

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.

Given the Group highly relies on external financing in order to obtain investment capital for new solar power plants development, any interest rate changes will have impact on the Group's capital expenditure and finance costs, hence, affecting the Group's operating results.

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.

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Valor Appraisal & Advisory Limited, an independent valuer, in connection with their valuation of 100% equity interest in the Target Company as at 31 December 2023.

VALUE WITH VIRTUES
VALOR APPRAISAL & ADVISORY LIMITED

Valor Appraisal & Advisory Limited
Unit C, 4/F, China Insurance Building,
48 Cameron Road, Tsim Sha Tsui, Kowloon,
Hong Kong
Tel: +852 3468 8488 Fax: +852 3971 0998

滙來評估及顧問有限公司
香港九龍尖沙咀金馬倫道48號
中國保險大廈4樓C室
電話：+852 3468 8488 傳真：+852 3971 0998

Date: 20 March 2024

The Board of Directors
Kong Sun Holdings Limited
Unit 803-4, 8/F, Everbright Centre,
108 Gloucester Road,
Wanchai, Hong Kong

Dear Sir/Madam,

RE: Valuation Report of 陝西億潤新能源科技有限公司 and Its Subsidiaries for Circular Reference for Kong Sun Holdings Limited

In accordance with the instruction of Kong Sun Holdings Limited ("**Kong Sun**"), we have made an appraisal of the equitable value of 100% equity interest in 陝西億潤新能源科技有限公司 and its subsidiaries for circular reference as at the valuation date (31 December 2023).

The details and conclusion of the valuation are presented in the attached valuation report, which outlines the factors considered, valuation methodology, basis and assumptions employed in formulating our opinion of value.

Valor Appraisal & Advisory Limited ("**Valor**") is a company incorporated in Hong Kong in 2013, specializing in valuation, internal control review, risk management and environmental, social, and corporate governance reporting services for listed and private companies. This report has been prepared independently. Neither Valor nor any authors of this report hold any interest in Kong Sun or its related parties. The fee for providing this report is based on Valor's normal professional rates, whilst expenses (if incurred) are being reimbursed at cost. Payment of fees and reimbursements are not contingent upon the conclusions drawn in the report.

Yours faithfully,
For and on behalf of
Valor Appraisal & Advisory Limited
Haydn Y.C. Lee
CFA CPA (Aust.) MRICS MAusIMM RBV
Director

1. INTRODUCTION & PURPOSE OF VALUATION

In accordance with the instruction of Kong Sun Holdings Limited ("**Kong Sun**" or the "**Company**"), Valor Appraisal & Advisory Limited ("**Valor**") is required to provide an independent valuation report (the "**Valuation Report**") to assess the equitable value (the "**Equitable Value**") of 100% equity interest (the "**Equity Interest**") in 陝西億潤新能源科技有限公司 (translated as Shaanxi Yirun New Energy Technology Co., Ltd. and hereinafter referred to as the "**Target Company**") and its subsidiaries (collectively referred to as the "**Target Group**") for circular reference as at 31 December 2023 (the "**Valuation Date**").

Relevant enquiries have been made and required information have been obtained that Valor considers to be necessary in forming an independent opinion of the Equitable Value of the Equity Interest, as at the Valuation Date.

This Valuation Report states valuation methodology and approach adopted in assessing the Equitable Value of the Equity Interest, as well as outlines Valor's latest findings and valuation conclusion, which is prepared solely for the purpose of circular reference for Kong Sun and its subsidiaries (collectively referred to as the "**Group**").

In this Valuation Report, words in the singular number include the plural and vice versa; the words asset or assets are deemed to include liability or liabilities, except where it is expressly stated otherwise, or is clear from the context that liabilities are excluded; headings are inserted for convenient reference only and have no effect in limiting or extending the language to which they refer.

2. BACKGROUND INFORMATION OF THE TARGET GROUP

The following background information of the Target Group has been complied with reference to the documents received from and representation by the management of the Group and the Target Group (the "**Management**"), which are assumed to be accurate and relied upon when conducting this valuation exercise.

The Target Company was incorporated in the People's Republic of China (the "**PRC**") and principally engaged in the provision of solar power plant operation and maintenance services.

3. SCOPE OF WORK

In conducting this valuation exercise, Valor's appraisers have:

- gathered all relevant information;
- discussed with the Management;
- collected market data from reliable sources;

- investigated into the information, and considered the basis and assumptions of the opinion of value;
- analysed the financial information of companies in a similar industry; and
- designed an appropriate valuation model to derive the Equitable Value of the Equity Interest.

4. BASIS OF VALUATION

The valuation was carried out on an Equitable Value basis. According to International Valuation Standards 2022 ("**IVS 2022**") issued by International Valuation Standards Council ("**IVSC**"), Equitable Value is defined as "*is 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 particular, the Equitable Value of the Equity Interest in this valuation exercise refers to the equity value, which is defined as "*the value of a business to all of its equity shareholders*" in accordance with International Valuation Standard 200 *Businesses and Business Interests* in IVS 2022.

5. BASIS OF OPINION

The valuation was conducted in accordance with IVS 2022 issued by IVSC. The valuation procedure includes review of the financial and economic conditions of the subject business interest, an assessment of key assumptions, estimates, and representations made by the Management. All matters essential to the proper understanding of the valuation are disclosed in the valuation report. Opinion of value included in the valuation report is impartial, independent and unbiased.

The following factors also form a considerable part of the basis of opinion:

- assumptions on the market and on the subject business interest that are considered to be fair and reasonable;
- financial performance that shows a consistent trend of the operation of the subject business interest;
- consideration and analysis on the micro and macro economic factors; and
- analytical review of the subject business interest.

In the course of conducting the valuation, all the information and explanations considered necessary have been obtained so that there are sufficient evidences and reasonable basis in forming the opinion of value on the subject business interest.

6. SOURCES OF INFORMATION

In conducting the valuation of the subject business interest, the following key information, including but not limited to those provided by the Management and derived from the public have been considered, reviewed, and relied upon:

- Consolidated management accounts of the Target Group as at 31 December 2023;
- IVS 2022 issued by IVSC;
- Overview of the nature of the subject business interest;
- Discussion with the Management;
- Discount for Lack of Marketability – Job Aid for IRS Valuation Professional issued by Internal Revenue Service (the "**IRS DLOM Job Aid**");
- 2023 Edition of the Stout Restricted Stock Study Companion Guide;
- The FactSet Mergerstat/BVR Control Premium Study (the "**Control Premium Study**");
- Business Valuation Update, May 2021, Vol. 27, No. 5, Business Valuation Resources, LLC (the "**Business Valuation Update**");
- Interim reports of IRICO Group New Energy Company Limited (438:HK), Solargiga Energy Holdings Limited (757:HK), Xinyi Solar Holdings Limited (968:HK), Xinte Energy Co., Ltd. (1799:HK) and GCL Technology Holdings Limited (3800:HK); and
- Hong Kong Exchanges and Clearing Limited ("**HKEX**"), Hong Kong Monetary Authority, Google, Yahoo Finance and other reliable sources of market data.

In arriving at the opinion of the Equitable Value, the accuracy and completeness of the information reviewed for the purpose of this valuation have been assumed and relied on. In addition, the statements, information, opinion and representations provided by Kong Sun and the Target Group have been relied upon.

Research was conducted using various sources including government statistical releases and other publications to assess the reasonableness and fairness of information provided.

The opinion is based upon economic, market, financial and other conditions as exist and can be evaluated on the date of this report and no responsibility is assumed to update or revise the opinion based on events or circumstances occurring after the date of this report. In reaching the opinion, assumptions have been made with respect to such economic, market, financial and other conditions and other matters, many of which are beyond the control of Valor or any party involved in this valuation exercise.

7. VALUATION APPROACH AND METHODOLOGY

In carrying out this valuation exercise, the following approaches and methodologies have been considered:

Cost Approach – The cost approach provides an indication of value using the economic principal that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. This approach is based on the principle that the price that a buyer in the market would pay for the asset being valued would, unless undue time, inconvenience, risk or other factors are involved, be not more than the cost to purchase or construct an equivalent asset. Often the asset being valued will be less attractive than the alternative that could be purchased or constructed because of age or obsolescence. Where this is the case, adjustments may need to be made to the cost of the alternative asset depending on the required basis of value.

The cost approach cannot normally be applied to the valuation of a business or business interest except in the case of early stage or start-up businesses where profits and/or cash flow cannot be reliably determined and adequate market information is available on the entity's assets.

Unlike market and income approaches which either incorporate market sentiments or future earnings capacity of an asset as a function to determine its current value, cost approach considers the fundamental cost it takes to form the asset. In our opinion this approach is inapplicable to the current analysis as there is no convincing association of the value of the subject business interest with its cost.

Income Approach – The income approach provides an indication of value by converting future cash flows to a single current capital value. This approach considers the income that an asset will generate over its useful life and indicates value through a capitalisation process. Capitalisation involves the conversion of income into a capital sum through the application of an appropriate discount rate. The income stream may be derived under a contract or contracts, or be non-contractual, for example the anticipated profit generated from either the use of or holding of the asset.

Enterprise value is typically derived through the capitalisation of profits or cash flows through the application of a capitalisation rate or discount rate before debt servicing costs. The capitalisation or discount rate applied is the weighted average cost of capital of an appropriate mix of debt and equity. The market value of the interest bearing debt is deducted from the enterprise value to determine the overall equity value. Redundant, i.e. non-operating, assets need to be considered when calculating enterprise or equity value.

This approach is not preferred in this exercise because there are relevant market comparables to the subject business interest and reliable projection of the amounts and timing of future income streams is not available for the subject business interest as at the Valuation Date.

Market Approach – The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. Under this approach the first step is to consider the prices for transactions of identical or similar assets that have occurred recently in the market. If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed. It may be necessary to adjust the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions to be adopted in the valuation being undertaken. There may also be differences in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

The market approach compares the subject business to similar businesses, business ownership interests and securities that have been exchanged in the market and any relevant transactions of shares in the same business. Prior transactions or offers for any component of the business may be also indicative of value.

In this valuation exercise, the value of the subject business interest was developed through the application of the market approach technique known as guideline publicly-traded comparable method. The guideline publicly-traded method utilizes information on publicly-traded comparables that are similar to the subject asset to arrive at an indication of value.

The guideline publicly-traded method requires the proper selection of valuation metrics/ comparable evidence and calculation of the selected valuation metrics of comparable companies to derive the value of the subject business interest.

Under guideline publicly-traded method, the valuation metrics adopted is price-to-book ratio ("**PB Ratio**"). Only PB Ratio was adopted under guideline publicly-traded method because the Target Group did not have profit in 2023 and price-to-earnings ratio, which is another common valuation metrics, is not applicable. Other valuation metrics such as price-to-sales ratio ("**PS Ratio**") and enterprise multiple (Enterprise value to earnings before interest, taxes, depreciation and amortization ("**EBITDA**") ratio) are also not applicable. PS Ratio is not applicable because it is usually only used to value start-up companies for which both the book value and earnings are insignificant or non-existing, but the Target Company is not a start-up company. Enterprise multiple is not applicable because the Target Group did not have EBITDA in 2023.

8. KEY ASSUMPTIONS

The assumptions considered having significant sensitivity effects in this valuation have been evaluated in arriving at the assessed value with key assumptions listed 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 the principal operation;
- the development of the subject business interest 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 subject business interest;
- 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.

9. GUIDELINE PUBLICLY-TRADED METHOD

Selection of Comparable Listed Companies

With a view to selecting appropriate comparable listed companies, Valor focused on those companies listed in Hong Kong which are principally engaged in ancillary services for the solar power industry. Since there are no/limited Hong Kong listed companies with over 50% of their revenues for the latest financial year generated from the provision of solar power plant operation and maintenance services, comparable Hong Kong listed companies which are principally engaged in ancillary services for the solar power industry are used instead.

Selection criteria of comparable companies are listed as follows:

1. Companies listed in Hong Kong; and
2. Companies with over 50% of their revenues for the latest financial year generated from ancillary services for the solar power industry.

The following searching procedures have been adopted in order to obtain a full and exhaustive list of potential comparable companies:

- Using search engine to search comparable companies based on the above criteria; and
- Cross checking the list of comparable companies with financial websites.

Upon procuring the list of potential comparable companies, the following review procedures have been adopted in order to select the appropriate comparable companies:

- Reviewing the potential comparable companies' annual reports, news and announcements; and
- Cross checking the potential comparable companies' segment revenue in their annual reports to ensure relevancy and comparability.

Based on the above selection criteria, searching and review procedures, we have selected the following comparable companies:

Stock Code:	438:HK
Company Name:	IRICO Group New Energy Company Limited
Company Description:	IRICO Group New Energy Company Limited is a Hong Kong-based investment holding company principally engaged in photoelectric products businesses. The Company operates through four segments. Luminous Materials Production and Sales segment is engaged in the production and sales of luminous materials. Liquid Crystal Related Products Production and Sales segment is engaged in the production and trading of liquid crystal display (LCD) televisions and LCD glass substrates. Solar Photovoltaic Glass Production and Sales segment is engaged in the production and sales of solar photovoltaic glass. Others segment is engaged in other trading.
Portion of revenue generated from ancillary services for the solar power industry for the latest financial year:	99%
Market capitalization:	HKD778.34 million (6-months monthly average as at 31 December 2023)
Equity attributable to equity holders of the company:	HKD1,937.21 million (30 June 2023)
PB Ratio:	0.40

Stock Code:	757:HK
Company Name:	Solargiga Energy Holdings Limited
Company Description:	Solargiga Energy Holdings Limited is a Hong Kong-based investment holding company principally engaged in the manufacture and trading of solar energy-related products. The Company's main businesses include the manufacture and trading of polysilicon and monocrystalline silicon solar ingots and wafers and the provision of related processing services, the manufacture and trading of photovoltaic modules, the manufacture and trading of monocrystalline silicon solar cells, as well as the construction and operation of photovoltaic power plants.
Portion of revenue generated from ancillary services for the solar power industry for the latest financial year:	97%
Market capitalization:	HKD623.44 million (6-months monthly average as at 31 December 2023)
Equity attributable to equity holders of the company:	HKD1,257.03 million (30 June 2023)
PB Ratio:	0.50

Stock Code:	968:HK
Company Name:	Xinyi Solar Holdings Limited
Company Description:	Xinyi Solar Holdings Limited is an investment holding company principally engaged in the manufacturing and sale of solar glass. Along with subsidiaries, the Company operates its business through three segments. The Sales of Solar Glass segment is involved in the production and sale of solar glass products. The solar glass products include ultra-clear processed glass (PV) raw glass, as well as other PV processed glass such as ultra-clear PV tempered glass, ultra-clear PV anti-reflective coating glass and back glass. The Solar Farm and Solar Power Generation segment is involved in the operation of utility-scale ground mounted solar farms. The Engineering Procurement and Construction (EPC) Services segment is engaged in the provision of EPC services for solar farms.
Portion of revenue generated from ancillary services for the solar power industry for the latest financial year:	86%
Market capitalization:	HKD55,339.86 million (6-months monthly average as at 31 December 2023)
Equity attributable to equity holders of the company:	HKD29,028.24 million (30 June 2023)
PB Ratio:	1.91

Stock Code:	1799:HK
Company Name:	Xinte Energy Co., Ltd.
Company Description:	Xinte Energy Co., Ltd. is an investment holding company principally engaged in the provision of solar energy and wind power solutions. The Company operates through seven segments. Polysilicon Production segment is engaged in the production and sales of polysilicon. Engineering and Construction Contracting (ECC) segment is engaged in the provision of ECC services for solar energy plants and wind power plants. Inverter Manufacturing segment is engaged in the manufacture of inverters. Sales of Electricity segment is engaged in the generation and sales of electricity. Photovoltaic (PV) Wafer and Module Manufacturing segment is engaged in the manufacture and sales of PV wafers and modules. Build-Own-Operate (BOO) segment is engaged in the building and operation of solar energy plants and wind power plants. Others segment is engaged in related trading businesses and the provision of design and logistics services.
Portion of revenue generated from ancillary services for the solar power industry for the latest financial year:	68%
Market capitalization:	HKD19,235.54 million (6-months monthly average as at 31 December 2023)
Equity attributable to equity holders of the company:	HKD39,803.53 million (30 June 2023)
PB Ratio:	0.48

Stock Code:	3800:HK
Company Name:	GCL Technology Holdings Limited
Company Description:	GCL Technology Holdings Limited, formerly GCL-Poly Energy Holdings Limited, is an investment holding company mainly engaged in the manufacture and sale of solar materials. The Company operates its business through three segments. The Solar Material Business segment is mainly engaged in the manufacture and sale of polysilicon and wafer products to companies operating in the solar industry. The New Energy Business segment is engaged in the development, construction, operation and management of solar farms. The Solar Farm Business segment is engaged in the operation and management of solar farms.
Portion of revenue generated from ancillary services for the solar power industry for the latest financial year:	97%
Market capitalization:	HKD37,603.28 million (6-months monthly average as at 31 December 2023)
Equity attributable to equity holders of the company:	HKD50,182.29 million (30 June 2023)
PB Ratio:	0.75

Valuation Metrics for Guideline Publicly-Traded Method

1. The valuation metrics adopted for guideline publicly-traded method is PB Ratio.

2. Equity attributable to equity holders of comparable companies as at 30 June 2023 derived from the latest financial reports was taken as denominator in calculating the PB Ratio of comparable companies.

3. Historical monthly average market capitalization of comparable companies for the period from 30 June 2023 to 31 December 2023 was taken as numerator in calculating the PB Ratio of comparable companies.

4. The average PB Ratio of 5 comparable companies was calculated to be 0.81.

5. Equity attributable to equity holders of the Target Company as at 31 December 2023 is RMB11,511,000, as per consolidated management accounts of the Target Group as at 31 December 2023.

Control Premium

Control Premium is applied to reflect differences between the comparables and the subject asset with regard to the ability to make decisions and the changes that can be made as a result of exercising control. All else being equal, participants would generally prefer to have a control over an asset than not. Circumstances where control premiums should be considered include where shares of public companies generally do not have the ability to make decisions related to the operations of the company (they lack control). As such, when applying the guideline public comparable method to value a subject asset that reflects a controlling interest, a control premium may be appropriate.

Since the Equity Interest of the Target Company is controlling interest whereas shares of the comparable listed companies are minority interests, a control premium has been applied to reflect the difference of the ability to make decisions as a result of exercising control. A control premium of 20% has been applied in this valuation exercise, taking account of 16% median equity control premium for China in the Control Premium Study and approximately 19% median equity control premium of the utilities sector in the Business Valuation Update.

Discount for Lack of Marketability

According to the IRS DLOM Job Aid, marketability is defined as "*the ability to quickly convert property to cash at minimal cost with a high degree of certainty of realizing the anticipated amount of proceeds*" and a discount for lack of marketability ("**DLOM**") is defined as "*an amount or percentage deducted from the value of an ownership interest to reflect the relative absence of marketability*". It is expected that a higher price will be paid by investors for business interest with high marketability and a lesser price will be paid by investors for business interest with low marketability.

In this valuation exercise, a DLOM has been applied to reflect that the Target Company is a private company, hence having lower marketability than the comparable listed companies. With reference to the 2023 Edition of the Stout Restricted Stock Study Companion Guide, the Stout Restrict Stock Study have examined 776 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through December 2022. For the Target Group, a DLOM of 42.7% has been adopted in this valuation exercise, which is with reference to 42.7% median discount for the 5th quintile of these 776 transactions. In the study, it is indicated that smaller company size is correlated with higher discount due to higher investment risk. The 5th quintile consists of companies with the smallest median size characteristics and has the highest median discount among the five quintiles. The median discount in the 5th quintile has been with reference to because the median book value of equity in the 5th quintile is US$7.8 million, which is higher than and comparable to the book value of the Target Group.

10. VALUATION COMMENTS

As part of the analysis, the information and documents provided by the Management, the financial and business information from public sources with such available financial information, client representation, project documentation and other pertinent data concerning the Equity Interest have been reviewed. The accuracy of such information have been assumed and relied on to a considerable extent in arriving at the opinion of value.

Relevant searches and enquiries have been made and such further information as considered necessary has been obtained for the purpose of this valuation exercise.

The opinion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and consideration of such matters are regarded to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Kong Sun, the Target Group and Valor. No assurance is provided on the achievability of any financial results estimated by Kong Sun and/or the Target Group because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the financial results is dependent on actions, plans and assumptions of the management. In addition, the other limiting and general service conditions are attached in Appendix I.

11. RISK FACTORS

Economic, political and social considerations

Any unfavourable global and regional economic condition such as the trade war between the United States and its key trading partners like China may have a detrimental impact on the business of the Target Group. Due to the uncertainties in economic situation, there is no guarantee that the expected financial performance will materialize. Any changes in global political, economic and social conditions, laws, regulations and policies may have significant impact on the projection of the future incomes of the Target Group. In view of the current situation, the possibility of trade protectionism cannot be ruled out. None of these changes can be foreseen with certainty.

Technological changes

Any change in the technological developments and advancements may have significant impact on the future financial results of the Target Group. To remain competitive in the industry, the Target Group may be required to make substantial capital expenditures to keep up with technological changes.

Inflation

The supply shortage brought about by outbreak of COVID-19, pose a significant risk of inflation, which may erode the profitability of the Target Group.

Company specific risk

The operation of the Target Group may perform better or worse than the expectation, and the resulting earnings and cash flows will be very different from the estimates. The possibility of severe operational incidence, whether it is exogenous or endogenous, cannot be precluded.

12. OPINION OF VALUES

Based on the investigation and analysis outlined in this report, we are of the opinion that as at the Valuation Date, which is **31 December 2023**, the Equitable Value of 100% equity interest in the Target Group is **RMB6,390,000** (RENMINBI SIX MILLION THREE HUNDRED NINETY THOUSAND).

Yours faithfully,
For and on behalf of
Valor Appraisal & Advisory Limited
Haydn Y.C. Lee
CFA CPA (Aust.) MRICS MAusIMM RBV
Director

Mr. Haydn Y.C. Lee 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. He has 15 years' experience in business valuation. He oversees the business valuation services of Valor 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.

APPENDIX I – LIMITING AND GENERAL SERVICE CONDITIONS

1. As part of the analysis, Valor's appraisers have reviewed financial and business information from public sources together with such financial information, client representation, project documentation and other pertinent data concerning the project made available to Valor during the course of the valuation. Valor's appraisers have assumed the accuracy of, and have relied on the information and client representations provided in arriving at the opinion of value. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.

2. Our report was used as part of the analysis of the Group in reaching their conclusion of value and the ultimate responsibility of the determination of value of the subject asset rests solely with the Group.

3. It is assumed that the Management is responsible to ensure proper books of accounts are maintained, and the financial statements give a true and fair view and have been prepared in accordance with the relevant companies' ordinance.

4. Valor shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation and with reference to the project described herein unless prior arrangements have been made.

5. No opinion is intended to be expressed for matters which require legal or other specialised expertise or knowledge, beyond what is customarily employed by Valor's appraisers.

6. The conclusions assume continuation of prudent client policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the asset valued.

7. It is assumed that there are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, it is assumed that no responsibility for changes in market conditions after the date of this report.

8. This valuation report has been prepared solely for the use of the designated parties. The valuation report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without prior written consent from Valor.

9. This report is confidential to the client for the specific purpose to which it refers. In accordance with Valor's standard practice, it is stated that this report and valuation is for the use only of the party to whom it is addressed and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

10. Valor have made no investigation of and assumed no responsibility for the title to or any liabilities against the asset appraised.

11. In the event that Valor becomes involved in any capacity in any action, proceedings or investigation brought by or against any person, in connection with or as a result of either the Valor's engagement or any matter referred to in the service engagement, the Group will reimburse the Valor for all legal and other expenses incurred in connection therewith. Except where it is determined by final judgement of a court to have resulted from wilful default or gross negligence of Valor or its officers, the Group will fully indemnify and hold Valor harmless against any and all losses, claims, damages or liabilities to any such person in connection with or as a result of either the Valor's engagement or any matter referred to in the service engagement. The reimbursement, indemnity and contributions to each of its associates shall ensure to the benefit of the Valor's successors, assigns, heirs and personal representatives of the Valor, any such affiliate and any such persons. In the event the Valor is subject to any liability in connection with this service engagement, such liability will be limited to the amount of fees received for this engagement.

12. The Group agrees that itself or any of its associates will make no claim against Valor or any of its associates in connection with the engagement of the Valor except as a result of the Valor's wilful default or gross negligence, and that neither Valor nor any of its associates will have any direct or indirect liability to the Group or except where it is determined by final judgement of a court to have resulted from wilful default or gross negligence of Valor or its officers.

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	Total	Approximate percentage of shareholding
Executive Director				
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 Agreement;

(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,深圳市前海燊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(Khorgos 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. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualifications
Valor Appraisal & Advisory Limited	Independent valuer

As at the Latest Practicable Date, the expert above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and the reference to its name included herein in the form and context in which it appears.

10. 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.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on display online on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website (www.kongsun.com) for a period of 14 days from the date of this circular:

(a) the Agreement;

(b) the Valuation Report, the text of which is set out in Appendix II to this circular; and

(c) the written consent referred to in the paragraph headed "Expert and consent" in this appendix.

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 11:00 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 Agreement (copy of which has been tabled at the meeting marked "A" and signed by the chairman of the meeting for identification purpose) 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 Agreement and the transactions contemplated thereunder."

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

Hong Kong, 20 March 2024

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.