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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)

PROFIT WARNING

This announcement is made by Kong Sun Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors (the “**Director(s)**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2020, the Group is expected to record a net loss of approximately RMB40,000,000 for the six months ended 30 June 2020 as compared to a net loss of approximately RMB40,909,000 for the six months ended 30 June 2019.

The expected net loss of the Group was primarily attributable to a combination of the following factors:

1. a decrease in the gross profit of approximately RMB130,000,000 due to a decrease in the sales of electricity;
2. a decrease in the impairment loss on a disposal group classified as held for sale related to the very substantial disposal of 湖州祥暉光伏發電有限公司 (Huzhou Xianghui Solar Power Co., Ltd.*) of approximately RMB98,000,000;
3. a decrease in the administrative expenses of approximately RMB80,000,000 due to a decrease in total employee benefits, rental expense and other administrative expenses; and
4. a decrease in the gain on disposal of subsidiaries, net of approximately RMB47,000,000.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2020. The information contained in this announcement is only a preliminary assessment by the management of the Company based on information currently available to the Company, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company nor approved by the audit committee of the Company. The actual results of the Group for the six months ended 30 June 2020 may be different from the financial information disclosed herein.

Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published before the end of August 2020. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kong Sun Holdings Limited
Mr. Jin Yanbing
Executive Director

Hong Kong, 31 July 2020

As of the date of this announcement, the Board comprises two executive Directors, Mr. Jin Yanbing and Mr. Qin Hongfu, one non-executive Director, Mr. Jiang Hengwen, and three independent non-executive Directors, Mr. Lang Wangkai, Ms. Wang Fang and Ms. Wu Wennan.

** for identification purposes only*