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**", and 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 (Chapter 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 year ended 31 December 2020, the Group is expected to record a net loss of approximately RMB600,000,000 to RMB700,000,000 for the year ended 31 December 2020 as compared to a net loss of approximately RMB698,629,000 for the year ended 31 December 2019.

Based on the information currently available, the expected change in net loss for the year ended 31 December 2020 as compared to the year ended 31 December 2019 was mainly attributable to, among other things, (i) the decrease in finance costs of approximately RMB160,000,000; (ii) the decrease in administrative expenses of approximately RMB70,000,000; (iii) the increase in loss on disposal of subsidiaries, net of approximately RMB120,000,000; and (iv) the increase in impairment loss in respect of trade and other receivable of approximately RMB10,000,000 to RMB110,000,000.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 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 year ended 31 December 2020 may be different from the financial information disclosed herein.

Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published before the end of March 2021. 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, 22 March 2021

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. Wu Wennan and Mr. Xu Xiang.