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KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Stock Code: 295)

(incorporated in Hong Kong with limited liability)

**FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS,
DESPATCH OF ANNUAL REPORT,
RELEASE OF INTERIM RESULTS**

AND

DESPATCH OF INTERIM REPORT

AND

THE WINDING-UP PETITION FILED BY A COMPANY'S CREDITOR

Further delay in publication of Annual Results, despatch of Annual Report, release of Interim Results and despatch of Interim Report

Reference is made to the Company's Announcements on 2 August 2005, 10 and 23 November 2005 (the "Announcements") concerning the delay in publication of Annual Results and despatch of Annual Report, delay in release of Interim Results and despatch of Interim Report. The Company announces that the publication and despatch of 2004 Annual Results will be further delayed to 1 February 2006 and 8 February 2006 while the publication and despatch of 2005 Interim Results will also be further delayed to 14 February 2006 and 21 February 2006, respectively. The further delay is due to the fact that additional time is required for further procedures to be performed by the Company after taking into accounts of the winding-up petition filed to the High Court by a Company's creditor as reported by a newspaper on 15 December 2005.

Winding-up petition filed by a Company's creditor

As reported by a newspaper on 15 December 2005, Industrial and Commercial International Capital Limited (the "Creditor"), one of the Company's creditors, has filed a petition to the High Court for the winding-up of the Company. The Company is now seeking legal advice and contacting the Creditor concerning the winding-up petition and will make instant announcement for further status of the issue.

The delay in publication of the Annual Results and the despatch of the Annual Report constitute breaches of Rules 13.49(1) and 13.46(1) while the delay in publication of 2005 Interim Results constitute breaches of Rules 13.48(1) and 13.49(6) of the Listing Rules, respectively by the Company. In addition, note 2 of Rule 13.46(b) of the Listing Rules states that section 122 of the Companies Ordinance requires the annual accounts of a Hong Kong issuer which are laid before the issuer at its annual general meeting to be made up to a date falling not more than 6 months before the date of the meeting. In this regard, the Stock Exchange has indicated that it reserves the rights to take appropriate action against the Company and/or the Directors.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 17 June 2004 at the request of the Company.

In view of the winding-up petition and a number of outstanding issues pertaining to the financial conditions of the Company, shares will remain suspended pending demonstration by the Company to the satisfaction of the Stock Exchange that, among others, the Company is able to comply with Rule 13.24 of the Listing Rules.

Shareholders and the public are advised to exercise caution when dealing in the Shares.

Further delay in publication of Annual Results, despatch of Annual Report, release of Interim Results and despatch of Interim Report

Reference is made to the Company's Announcements on 2 August 2005, 10 and 23 November 2005 in which it announced that the publication and despatch of 2004 Annual Results would be delayed to on or around 15 December 2005 and 22 December 2005 and that the publication and despatch of 2005 Interim Results will also be delayed to around 16 January and 23 January 2006. Terms defined in the said Announcements shall have the same meanings when used in this announcement unless the context otherwise requires.

The Company announces that publication and despatch of 2004 Annual Results will be further delayed to 1 February 2006 and 8 February 2006 while the publication and despatch of 2005 Interim Results will also be further delayed to 14 February 2006 and 21 February 2006, respectively. The further delay is due to the fact that additional time is required for further procedures to be performed by the Company after taking into account into the winding-up petition filed to the High Court by a Company's creditor as reported by a newspaper on 15 December 2006.

Winding-up petition filed by a Company's creditor

As reported by a newspaper on 15 December 2005, Industrial and Commercial International Capital Limited (the "Creditor"), one of the Company's creditors, has filed a petition to the High Court for the winding-up of the Company. In pursuant to a loan agreement dated 25 October, 2002, the Creditor had advanced to the Company a loan facility of HK\$20,000,000 (the "Loan") which was guaranteed by Mr. Kong Li Szu, one of the Company's director. A judgment for recovering the outstanding amount of the Loan in the amount of HK\$6,546,016.31 (the "Judgment") has been obtained from the High Court by the Creditor on 8 November 2004. Due to the serious financial difficulties encountered by the Company, the Company has defaulted in

payment on the repayment schedule as agreed with the Creditor immediate after the Judgment. The Company is now seeking legal advice and contacting the Creditor concerning the petition and will make instant announcement for further status of the issue.

Breaches of the Listing Rules

The delay in publication and despatch of 2004 Annual Results constitute breaches of Rules 13.49(1) and 13.46(1) while the delay in publication and despatch of 2005 Interim Results constitute breaches of Rules 13.48(1) and 13.49(6) of the Listing Rules, respectively by the Company. In addition, note 2 of Rule 13.46(b) of the Listing Rules states that section 122 of the Companies Ordinance requires the annual accounts of a Hong Kong issuer which are laid before the issuer at its annual general meeting to be made up to a date falling not more than 6 months before the date of the meeting. In this regard, the Stock Exchange has indicated that it reserves the rights to take appropriate action against the Company and/or the Directors.

General

The Directors confirm that they have not dealt in the securities of the Company since 30 March 2004 and they will not deal in the Shares until the Annual Results are announced.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 17 June 2004 at the request of the Company.

In view of the winding-up petition and a number of outstanding issues pertaining to the financial conditions of the Company, shares will remain suspended pending demonstration by the Company to the satisfaction of the Stock Exchange that, among others, the Company is able to comply with Rule 13.24 of the Listing Rules.

Shareholders and the public are advised to exercise caution when dealing in the Shares.

The Board as at the date hereof comprises:

Kong Lok King

(Chairman and Managing Director)

Kong Li Jer

(Executive Director)

Kong Li Szu

(Executive Director)

Sin Wai Chiu, Joseph

(Independent non-executive Director)

Ip Man Tin, David

(Independent non-executive Director)

Ku Suen Fai

(Independent non-executive Director)

By Order of the Board

Kong Li Szu

Executive Director

Hong Kong, 16 December 2005

Please also refer to the published version of this announcement in The Standard.