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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, PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT AND THE HEARING OF 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 and 16 December 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 24 March 2006 and 31 March 2006 while the publication and despatch of 2005 Interim Results will also be further delayed to 7 April 2006 and 13 April 2006, respectively. The further delay is due to the fact that additional time is required for further audit procedures to be performed by the Company's auditor after taking into accounts of the High Court hearing fixed on 1 February 2006 for the winding-up petition (the "Petition") filed to the High Court by a Company's creditor on 15 December 2005. Further discussion with the Company's auditor has indicated their confidence in issuing the 2004 Annual Results and 2005 Interim Results as scheduled.

Adjournment of hearing of the winding-up petition filed by a Company's creditor

The Master of High Court has on 1 February 2006 adjourned the hearing of the winding-up petition filed by Industrial and Commercial International Capital Limited (the "Creditor"), one of the Company's creditors, to 6 February 2006 for further considering the request of the Creditor for adjournment of the hearing of the Petition for six weeks.

Summons filed to the High Court by DBS Bank (HK) Limited (the "Bank")

A writ of summons has been filed on 21 December 2005 by the Bank to the High Court to claim the amount of HK\$3,326,652 loan plus interest accrued up to payment in full due by the Company (the "Summons"). No further action has yet been taken by the bank and no hearing date has yet been fixed by the High Court. The Company will make instant announcement concerning the status of the Summons.

The Board of directors of the Company further confirms that, to the best of their knowledge, they are not aware of any pending litigation against the Company other than those addressed in this announcement.

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 and 16 December 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 24 March 2006 and 31 March 2006 while the publication and despatch of 2005 Interim Results will also be further delayed to 7 April 2006 and 13 April 2006, respectively. The further delay is due to the fact that additional time is required for further audit procedures to be performed by the Company's auditor after taking into accounts of the High Court hearing fixed on 1 February 2006 for the winding-up petition (the "Petition") filed to the High Court by a Company's creditor on 15 December 2005. Further discussion with the Company's auditor has indicated their confidence in issuing the 2004 Annual Results and 2005 Interim Results as scheduled.

Adjournment of hearing of the winding-up petition filed by a Company's creditor

Reference is made to the winding-up petition filed by the Industrial and Commercial International Capital Limited (the "Creditor"), one of the Company's creditors, to the High Court for recovering the outstanding loan amount of HK\$6,545,016 plus interest accrued up to payment in full on 8 November 2005. The Master of High Court has on 1 February 2006 adjourned the hearing of the petition to 6 February 2006 for further considering the request of the Creditor for adjournment of the hearing of the Petition for six weeks (the "Request"). The Request was based on an agreement reached by the Company with the Creditor on 25 January 2006 in which the Creditor agreed to adjourn the hearing for six weeks for the Company to work out a Repayment and Trade Resumption Proposal (the "Proposal") and unless the Proposal is to the satisfaction of the Creditor as well as all other creditors of the Company, the Creditor will resume the hearing of the Petition after the six-week time. Further announcement concerning the hearing of the Request on 6 February 2006 will be made once result from the High Court is confirmed.

Summons filed to the High Court by DBS Bank (HK) Limited (the "Bank")

A writ of summons has been filed on 21 December 2005 by the Bank to the High Court to claim the amount of HK\$3,326,652 loan plus interest accrued up to payment in full due by the Company (the "Summons"). No further action has yet been taken by the bank and no hearing date has yet been fixed by the High Court. The Company will make instant announcement concerning the status of the Summons.

The Board of directors of the Company further confirms that, to the best of their knowledge, they are not aware of any pending litigation against the Company other than those addressed in this announcement.

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, 1 February 2006

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