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KWANG SUNG ELECTRONICS H.K. CO. LIMITED

光星電子香港有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2310)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that it is expected that the result of the Group for the year ended 31 December 2008 may decline significantly as compared with those for the corresponding period in 2007.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Kwang Sung Electronics H.K. Co. Limited (the “Company”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors (“the Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2008 may decline significantly as compared with those for the corresponding period in 2007. Based on information available, the Board believes that the negative effect on the results of the Group for the year ended 31 December 2008 is mainly attributable to increased cost of sales resulting from change of product mix, risen material costs, the combined effect of appreciation of the Renminbi and depreciation of the Korean Won, the increased minimum wages required by the new China Labor Contract Law and a one-off overtime compensation for a number of employees based in the People’s Republic of China.

The Board would like to emphasize that the Group’s financial position is solid and has sufficient cash resources to meet its present and future cash flow requirements.

The Company is in the process of preparing annual results of the Group for the year ended 31 December, 2008. The information contained in this announcement is only based on the information currently available to the Company and is not based on any figures or information that has been audited or reviewed by the Company’s auditors. Details of the Group’s performance will be disclosed as and when the final results for the year ended 31 December, 2008 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Kwang Sung Electronics H.K. Co. Limited
YANG Jai Sung
Executive Director

Hong Kong, 24 March 2009

As at the date of this announcement, the Board of the Company comprises non-executive director Mr. YANG Ho Sung (Chairman), executive directors Mr. YANG Jai Sung, Mr. LEE Kyu Young and Mr. WOO Nam Jin, and independent non-executive directors Dr. KIM Chung Kweon, Dr. HAN Byung Joon and Mr. KIM Chan Su.