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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)

**PROGRESS OF THE PROPOSED CAPITAL REDUCTION
AND THE CHANGE IN BOARD LOT SIZE**

REVISED EXPECTED TIMETABLE

The Board wishes to announce that the Court hearing of the Petition of the Capital Reduction will be held on 3 November 2009 and the Board proposes that the Change in Board Lot Size be revised whereby upon the Capital Reduction becoming effective, the board lot size of the Shares for trading on the Stock Exchange be changed from 2,000 Shares to 50,000 New Shares.

Shareholders and investors should note that the outcome of the Court hearing of the Petition is entirely within the jurisdiction of the Court, which may exercise its discretion to grant or not grant the Confirming Order as it sees fit. The timetable below will not be implemented if the Petition is not heard by the Court or the Court does not make the Confirming Order on 3 November 2009 or the Confirming Order and the Minute are not registered on or before 6 November 2009.

Further announcement(s) will be made by the Company on the outcome of the Court hearing and/or the actual timetable for the implementation of the Capital Reduction and the Change in Board Lot Size, if and when appropriate.

References are made to the circular of the Company dated 29 June 2009 (the “**Circular**”) and the announcement of the Company dated 11 September 2009 (the “**Announcement**”) regarding the Capital Reduction and the Change in Board Lot Size. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement.

PETITION

Pursuant to the directions given by the Court in the Summons Hearing held on 13 October 2009, among other things, the petition to confirm the Capital Reduction (the “**Petition**”) is now fixed to be heard by the Court on 3 November 2009.

CHANGE IN BOARD LOT SIZE

The Board proposes that the Change in Board Lot Size published by the Company in the announcement dated 19 June 2009 and the Circular be revised.

The Board proposes that upon the Capital Reduction becoming effective, the board lot size of the Shares for trading on the Stock Exchange be changed from 2,000 Shares to 50,000 New Shares (as opposed to the previously announced new board lot size of 20,000 New Shares) and it is intended that the Change in Board Lot Size will become effective on the Effective Date.

EXPECTED TIMETABLE FOR IMPLEMENTATION OF THE CAPITAL REDUCTION AND THE CHANGE IN BOARD LOT SIZE

The Capital Reduction and the Change in Board Lot Size will be implemented in accordance with the revised timetable below assuming that the Capital Reduction will be confirmed by the Court in the hearing of the Petition to be held on 3 November 2009.

Shareholders and investors should note that the outcome of the Court hearing of the Petition is entirely within the jurisdiction of the Court, which may exercise its discretion to grant or not grant the confirmation pursuant to sections 58 to 60 of the Companies Ordinance (the “Confirming Order”) as it sees fit. The timetable below will not be implemented if the Petition is not heard by the Court or the Court does not make the Confirming Order on 3 November 2009 or the Confirming Order and the minute containing the particulars required by section 61 of the Companies Ordinance (the “Minute”) are not registered on or before 6 November 2009.

2009

Hearing of the Petition to confirm the Capital Reduction	3 November
Announcement of the result of hearing of the Petition to confirm the Capital Reduction and the Effective Date to be published	4 November
Registration of the order of the Court to confirm the Capital Reduction and the Minute thereof with the Companies Registrar.	6 November

Effective Date of the Capital Reduction and
the Change in Board Lot Sizeafter 4:00 p.m. 6 November

First day of free exchange of the existing Share certificates
for the New Share certificates 9 November

Dealings in the New Shares commence 9:30 a.m. 9 November

First day for designated broker to stand in
the market to provide matching service for
selling and buying of odd lots of New Shares 9:30 a.m. 9 November

Latest time for designated broker to stand in
the market to provide matching service for
selling and buying of odd lots of New Shares 4:00 p.m. 14 December

Last day of free exchange of the existing Share certificates
for the New Share certificates 16 December

Further announcement(s) will be made by the Company on the outcome of the Court hearing and/
or the actual timetable for the Capital Reduction and the Change in Board Lot Size, if and when
appropriate.

By order of the Board
Kong Sun Holdings Limited
Tse On Kin
Chairman

Hong Kong, 14 October 2009

As at the date of this announcement, the board of directors of the Company comprises three executive Directors, Mr. Tse On Kin, Mr. Chan Chi Yuen and Mr. Yu Pak Yan, Peter and three independent non-executive Directors, Mr. Man Kwok Leung, Mr. Lau Man Tak and Dr. Wong Yun Kuen.