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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)

**PROPOSED SHARE CONSOLIDATION AND
CHANGE OF BOARD LOT SIZE**

Share Consolidation and Change of Board Lot Size

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.20 each. The necessary resolution(s) in respect of the Share Consolidation will be considered and, if thought fit, approved at the EGM. The Board also proposes to change the board lot size for trading in the shares of the Company from 50,000 Shares to 5,000 Consolidated Shares upon the Share Consolidation becoming effective.

General

A circular containing, amongst other things, details of the Share Consolidation and the Change of Board Lot Size and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.20 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company.

The Board also proposes to change the board lot size for trading in the Shares from 50,000 Shares to 5,000 Consolidated Shares upon the Share Consolidation becoming effective.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company amounts to HK\$400,000,000 divided into 40,000,000,000 Shares, of which 7,334,166,921 Shares have been allotted and issued or repurchased as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted and issued prior thereto, the authorised share capital of the Company will become HK\$400,000,000 divided into 2,000,000,000 Consolidated Shares, of which 366,708,346 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange and the Board believes that it may attract more investors and extend the shareholder base of the Company. The Board therefore believes that the Share Consolidation is in the interests of the Company and its Shareholders as a whole.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change of Board Lot Size, the Company will appoint an agent to stand in the market to provide matching services for the odd lots of Consolidated Shares on a best effort basis. Further details in respect of the odd lots matching arrangement will be set out in the circular to be despatched by the Company to the Shareholders.

Exchange of Share Certificates

Subject to the Share Consolidation becoming effective, which is expected to be at 9:30 a.m. on 10 December 2009, Shareholders may, on or after 10 December 2009 until 20 January 2010 (both days inclusive) submit share certificates for existing Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of twenty (20) existing Shares for one (1) Consolidated Share). Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by Shareholders.

Adjustments in relation to the Convertible Bonds

As at the date of this announcement, the Company has outstanding Convertible Bonds in the principal amount of HK\$66,100,000 which are convertible into 1,444,000,000 Shares. Corresponding adjustments will be made in accordance with the terms of the Convertible Bonds. The Company will make a further announcement about the adjustments.

Save as disclosed above, the Company has no other outstanding options, warrants or other securities convertible into or giving rights to subscribe for the Shares.

Expected Timetable

The expected timetable for implementation of the Share Consolidation and the Change of Board Lot Size and the associated trading arrangements is set out below:

2009

Despatch of circular in relation to, amongst other things,
the Share Consolidation and the Change of Board Lot Size Monday, 23 November

Latest time for lodging proxy forms for the EGM 11:00 a.m. on Monday, 7 December

EGM 11:00 a.m. on Wednesday, 9 December

Effective date of the Share Consolidation and
the Change of Board Lot Size Thursday, 10 December

Dealings in Consolidated Shares commence Thursday, 10 December

Original counter for trading in existing Shares
in board lots of 50,000 Shares temporarily closes 9:30 a.m. on Thursday, 10 December

Temporary counter for trading in Consolidated Shares
in board lots of 2,500 Consolidated Shares
(in the form of existing share certificates) opens 9:30 a.m. on Thursday, 10 December

First day for free exchange of existing share certificates
for new share certificates Thursday, 10 December

Original counter for trading in Consolidated Shares
in board lots of 5,000 Consolidated Shares
(in the form of new share certificates) reopens 9:30 a.m. on Thursday, 24 December

Parallel trading in Consolidated Shares
(in the form of new share certificates
and existing share certificates) commences 9:30 a.m. on Thursday, 24 December

Designated agent to stand in the market to provide
matching service to facilitate the odd lots
trading commences 9:30 a.m. on Thursday, 24 December

2010

Temporary counter for trading in Consolidated Shares
in board lots of 2,500 Consolidated Shares
(in the form of existing share certificates) closes 4:00 p.m. on Friday, 15 January

Designated agent to stand in the market to provide
matching service to facilitate the odd lots trading ends 4:00 p.m. on Friday, 15 January

Parallel trading in Consolidated Shares
(in the form of new share certificates
and existing share certificates) ends 4:00 p.m. on Friday, 15 January

Last day for free exchange of existing share
certificates for new share certificates Wednesday, 20 January

GENERAL

A circular containing, amongst other things, details of the Share Consolidation and the Change of Board Lot Size and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:

“Board”	the board of Directors
“Change of Board Lot Size”	the proposed change of board lot size of the Shares for trading on the Stock Exchange from 50,000 Shares to 5,000 Consolidated Shares
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company after the Share Consolidation becoming effective
“Convertible Bonds”	the Convertible Bonds (Placing) and the Convertible Bonds (Tree)
“Convertible Bonds (Placing)”	the convertible bonds due 2011 in an aggregate outstanding principal amount of HK\$26,100,000 as at the date hereof issued by the Company, details and principal terms of which are set out in the circulars of the Company dated 31 December 2007 and 6 June 2008
“Convertible Bonds (Tree)”	the convertible bonds due 2011 in an aggregate outstanding principal amount of HK\$40,000,000 as at the date hereof issued by the Company, details and principal terms of which are set out in the circular of the Company dated 31 December 2007
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for approving, amongst other things, the Share Consolidation
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every twenty (20) Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.20 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 12 November 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.