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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)

**OPEN OFFER OF NOT LESS THAN 239,654,173 OFFER SHARES
AND NOT MORE THAN 264,759,173 OFFER SHARES
AT HK\$0.25 PER OFFER SHARE ON THE BASIS OF
ONE OFFER SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE**

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LIMITED

Underwriter to the Open Offer



KINGSTON SECURITIES LIMITED

OPEN OFFER

The Company is pleased to announce to raise not less than approximately HK\$59.91 million and not more than approximately HK\$66.19 million before expenses by way of an open offer by issuing not less than 239,654,173 Offer Shares and not more than 264,759,173 Offer Shares at the Subscription Price of HK\$0.25 per Offer Share on the basis of one Offer Share for every two existing Shares held by the Qualifying Shareholders on the Record Date. The Open Offer is not available to the Excluded Shareholders.

There will not be any arrangement for application of the Offer Shares by Qualifying Shareholders in excess of their entitlements.

The net proceeds from the Open Offer is currently expected to be not less than approximately HK\$57.38 million but not more than approximately HK\$63.66 million. The Company intends to utilize the net proceeds from the Open Offer for the general working capital of the Group as well as for future business development.

The Underwriter has conditionally agreed to fully underwrite all the Offer Shares. Details of the major terms and conditions of the Underwriting Agreement are set out in the paragraph headed “Underwriting Arrangements” of this announcement.

The Open Offer is conditional upon, inter alia, the fulfillment or waiver of the conditions set out below under the paragraph headed “Conditions of the Open Offer” under the section headed “Underwriting Arrangements” in this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms thereof (a summary of which is set out under the paragraph below headed “Termination of the Underwriting Agreement” under the section headed “Underwriting Arrangements” in this announcement).

If the Underwriter terminates the Underwriting Agreement, or the conditions of the Open Offer are not fulfilled or waived, the Open Offer will not proceed.

The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be Monday, 27 September 2010. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from Tuesday, 28 September 2010. To qualify for the Open Offer, a Qualifying Shareholder’s name must appear on the register of members of the Company on the Record Date, which is currently expected to be Wednesday, 6 October 2010. In order to be registered as Shareholders on the Record Date, any transfers of Shares (with the relevant share certificates) must be lodged for registration with 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 by 4:30 p.m. on Wednesday, 29 September 2010.

Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled or waived bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.

GENERAL

The Company will send the Prospectus Documents to the Qualifying Shareholders as soon as practicable. The Prospectus, but not the application form, will be sent to the Excluded Shareholders (if any) for their information only.

OPEN OFFER

Issue Statistics

Basis of the Open Offer	:	One Offer Share for every two existing Shares held on the Record Date
Number of existing shares in issue as at the date of this announcement	:	479,308,346 Shares
Number of Offer Shares	:	Not less than 239,654,173 Offer Shares and not more than 264,759,173 Offer Shares
Subscription price	:	HK\$0.25 per Offer Share

Enlarged issued share capital immediately upon completion of the Open Offer : Not less than 718,962,519 Shares but not more than 794,277,519 Shares

Aggregate nominal value of the total Offer Shares : Not less than HK\$47,930,834.60 and not more than HK\$52,951,834.60

Assuming no exercise of any Convertible Bonds and Share Options on or before the Record Date, the minimum total number of Offer Shares of 239,654,173 Shares represents:

- (i) 50% of the Company's existing issued share capital as at the date of this announcement; and
- (ii) approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

Assuming exercise of all Convertible Bonds and Share Options in full on or before the Record Date, the maximum total number of Offer Shares of 264,759,173 Shares represents:

- (i) approximately 55.24% of the Company's existing issued share capital as at the date of this announcement; and
- (ii) approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

As at the date of this announcement, there are outstanding Convertible Bonds and Share Options entitling the holders thereof to subscribe for an aggregate of 20,000,000 and 30,210,000 new Shares respectively.

Save as the above-mentioned Convertible Bonds and Share Options, the Company had no outstanding derivatives, options, warrants and conversion rights or other similar rights which were convertible or exchangeable into Shares as at the date of this announcement.

Pursuant to the Underwriting Agreement, the Company has undertaken that it shall not, without the prior consent of the Underwriter, issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the Offer Shares) which right is exercisable on or prior to the Record Date from the date of the Underwriting Agreement until after the Latest Acceptance Time, being at 4:00 p.m. on Thursday, 21 October 2010.

The Offer Shares

The Subscription Price for the Offer Shares is HK\$0.25 per Offer Share payable in cash in full upon application by a Qualifying Shareholder. The Subscription Price of HK\$0.25 per Offer Share represents:

- a discount of approximately 46.81% to the closing price of HK\$0.470 per Share as quoted on the Stock Exchange on the date of this announcement;
- a discount of approximately 44.69% to the average closing price of approximately HK\$0.452 per Share for the five consecutive trading days up to and including the date of this announcement;

- a discount of approximately 43.50% to the average closing price of approximately HK\$0.443 per Share for the 10 consecutive trading days up to and including the date of this announcement; and
- a discount of approximately 36.97% to the theoretical ex-entitlement price of approximately HK\$0.397 per Share based on the closing price as quoted on the Stock Exchange on the date of this announcement.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the then market environment, prevailing Share prices and the recent financial conditions of the Group. In order to enhance the attractiveness of the Open Offer, issuance of new shares by way of open offer at a discount to the market price has been commonly adopted by listed issuers in Hong Kong. Given the relatively long underwriting period of an open offer and taking into account the aforesaid and the theoretical ex-entitlement price per Share, the Directors consider that, in order to enhance the attractiveness of the Open Offer, the discount on the Subscription Price to the current market price of the Shares as proposed is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date. The Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank pari passu with the then existing Shares in issue on the date of allotment of the Offer Shares. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares will be subject to payment of stamp duty in Hong Kong.

Fractions of the Offer Shares

No fractional entitlements to the Offer Shares will be allotted to individual shareholders. All such fractional entitlements will be aggregated and taken up by the Underwriter.

No application for excess Offer Shares

There is no arrangement for application of Offer Shares by Qualifying Shareholders in excess of their entitlements. Considering that each Qualifying Shareholder will be given an equal and fair opportunity to participate in the Company's future development by subscribing for his/her/its proportionate entitlement under the Open Offer, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures, which is not cost-effective from the viewpoint of the Company. Any Offer Shares not taken up by the Qualifying Shareholders will be taken up by the Underwriter. No odd lot matching services will be provided by the Company in respect of the Open Offer.

Share certificates for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares are expected to be posted to Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares by Wednesday, 27 October 2010 at their own risk.

Qualifying Shareholders

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, but not the application form, to the Excluded Shareholders for information only.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (with the relevant share certificate(s)) with the Company's share registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Wednesday, 29 September 2010. The last day of dealings in Shares on a cum-entitlements basis is therefore expected to be Monday, 27 September 2010. The Shares will be dealt with on an ex-entitlement basis from Tuesday, 28 September 2010.

Closure of register of members

The Company's register of members will be closed from Thursday, 30 September 2010 to Wednesday, 6 October 2010 (both days inclusive) for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this book closure period.

Excluded Shareholders

If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Open Offer.

The Directors will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the feasibility of extending the Open Offer to the Overseas Shareholder taking into consideration of the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange for the issue of Offer Shares to the Overseas Shareholders.

If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any applicable requirements of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be extended to the Overseas Shareholders who will become the Excluded Shareholders. The Offer Shares to which the Excluded Shareholders would otherwise be entitled under the Open Offer will be taken up by the Underwriter.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement dated 8 September 2010

Issuer	:	the Company
Underwriter	:	Kingston Securities Limited
Number of Underwritten Shares	:	Not less than 239,654,173 Offer Shares and not more than 264,759,173 Offer Shares, being the total number of Offer Shares under the Open Offer
Commission	:	2.5% of the aggregate Subscription Price of the maximum number of the Underwritten Shares

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up. Accordingly, the Open Offer is fully underwritten. The Directors are of the opinion that the terms of the Underwriting Agreement and the amount of commission given to the Underwriter are fair as compared to the market practice and commercially reasonable as agreed between the Company and the Underwriter.

To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owners are independent third party.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (1) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of, and permission to deal in, all the Offer Shares (in their fully-paid form);
- (2) the filing and registration of all documents relating to the Open Offer, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance;
- (3) the posting of the Prospectus Documents to Qualifying Shareholders; and
- (4) compliance with and performance of all the undertakings and obligations of the Company and the Underwriter under the terms of the Underwriting Agreement.

None of the Company and the Underwriter may waive conditions (1), (2) and (3) set out above. The Underwriter may waive condition (4) set out above in whole or in part by written notice to the Company. If any of the conditions of the Open Offer are not fulfilled on or before the Latest Acceptance Time (or such later time and/or date as the Company and the Underwriter may agree in writing), the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breach and the Open Offer will not proceed.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter may terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination, any of the following happens:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:**
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
 - (c) any material adverse change in the existing business or in the financial or trading position or prospects of the Group as a whole; or**
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
 - (e) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or**
 - (f) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days (as defined in the Listing Rules), excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or**
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (3) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or**

published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole upon completion of the Open Offer and is likely to affect materially and adversely the success of the Open Offer.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and the Open Offer will not proceed and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter any reasonable legal fees and other reasonable out-of-pocket expenses incurred by the Underwriter, except that the 2.5% underwriting fee described above shall not be payable to the Underwriter if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriter pursuant to the Underwriting Agreement.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 28 September 2010 based on the expected timetable.

The Open Offer is conditional upon, inter alia, the fulfillment or waiver of the conditions set out under the paragraph headed “Conditions of the Open Offer” under the section headed “Underwriting Arrangements” in this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms thereof (a summary of which is set out under the paragraph headed “Termination of the Underwriting Agreement” under the section headed “Underwriting Arrangements” in this announcement above). The Open Offer may or may not proceed.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled or waived will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

CHANGES IN SHAREHOLDING STRUCTURE

The existing shareholdings structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately upon completion of the Open Offer are set out below for illustration purpose only:

- (i) assuming no exercise of the outstanding Share Options and Convertible Bonds on or before the Record Date

Shareholders	At the date of this announcement		Immediately after the completion of the Open Offer (assuming no Qualifying Shareholders shall take up his/her/its entitlements under the Open Offer) (Note 1)		Immediately after the completion of the Open Offer (assuming all Qualifying Shareholders shall take up his/her/its entitlements under the Open Offer)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Public Underwriter	1	0.00	239,654,174	33.33	1	0.00
Other public Shareholders	<u>479,308,345</u>	<u>100.00</u>	<u>479,308,345</u>	<u>66.67</u>	<u>718,962,518</u>	<u>100.00</u>
Total	<u><u>479,308,346</u></u>	<u><u>100.00</u></u>	<u><u>718,962,519</u></u>	<u><u>100.00</u></u>	<u><u>718,962,519</u></u>	<u><u>100.00</u></u>

- (ii) assuming the exercise of the outstanding Share Options and Convertible Bonds in full on or before the Record Date

Shareholders	At the date of this announcement		Immediately after the completion of the Open Offer (assuming no Qualifying Shareholders, shall take up his/her/its entitlements under the Open Offer) (Note 1)		Immediately after the completion of the Open Offer (assuming all Qualifying Shareholders shall take up his/her/its entitlements under the Open Offer)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Public Holders of Share Options	—	—	30,210,000	3.80	45,315,000	5.71
Public Holders of the Convertible Bonds	—	—	20,000,000	2.52	30,000,000	3.77
Underwriter	1	0.00	264,759,174	33.33	1	0.00
Other public Shareholders	<u>479,308,345</u>	<u>100.00</u>	<u>479,308,345</u>	<u>60.35</u>	<u>718,962,518</u>	<u>90.52</u>
Total	<u><u>479,308,346</u></u>	<u><u>100.00</u></u>	<u><u>794,277,519</u></u>	<u><u>100.00</u></u>	<u><u>794,277,519</u></u>	<u><u>100.00</u></u>

Notes:

- 1 This scenario is for illustration purpose only and will never occur. In the event of the Underwriter being called upon to subscribe for or procure subscribers of any of the Underwritten Shares:
 - (1) the Underwriter shall not subscribe, for its own account, for such number of the Offer Shares which have not taken up by the Qualifying Shareholders which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and
 - (2) the Underwriter shall ensure that none of the subscribers of the Underwritten Shares will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of such subscription.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Open Offer are subject to various factors, including the results of acceptance of the Open Offer.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The gross proceeds from the Open Offer are not less than approximately HK\$59.91 million and not more than approximately HK\$66.19 million. The net proceeds from the Open Offer after deducting for expenses are estimated to be not less than approximately HK\$57.38 million but not more than approximately HK\$63.66 million. The Company intends to utilize the net proceeds from the Open Offer for the general working capital of the Group as well as for future business development. The Open Offer will enlarge the capital base of the Company and the Directors consider that it will facilitate the long-term development of the Company. Taking into account the fact that the net proceeds from the Open Offer would improve the Group's gearing position and enhance the Company's capital base, the Directors are of the view that the Open Offer is in the interests of the Group and the Shareholders as a whole.

EXPECTED TIMETABLE FOR THE OPEN OFFER

The expected timetable for the Open Offer set out below is indicative only and it has been prepared on the assumption that all the conditions of the Open Offer will be fulfilled and/or waived (where appropriate).

The expected timetable for the Open Offer is set out below:

2010

Last day of dealings in the Shares on a cum-entitlement basis	Monday, 27 September
First day of dealings in the Shares on an ex-entitlement basis	Tuesday, 28 September
Latest time for lodging transfer of Shares for entitlement to the Open Offer	4:30 p.m. on Wednesday, 29 September
Book closure period (both days inclusive)	Thursday, 30 September to Wednesday, 6 October
Record Date	Wednesday, 6 October
Register of members re-opens	Thursday, 7 October
Despatch of Prospectus Documents	Thursday, 7 October
Latest time for acceptance of and payment for the Open Offer	4:00 p.m. on Thursday, 21 October
Open Offer becomes unconditional	4:00 p.m. on Monday, 25 October
Announcement on results of the Open Offer	Tuesday, 26 October
Despatch of share certificates for Offer Shares	Wednesday, 27 October
Dealings in Offer Shares expected to commence	Friday, 29 October

Note: All times refer to Hong Kong local times.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares in fully-paid form. The Offer Shares are expected to continue to be traded in the existing board lot of 5,000 Shares.

Dealings in the Offer Shares in their fully-paid form will be subject to the payment of stamp duty in Hong Kong.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS AND THE CONVERTIBLE BONDS

The Open Offer may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options and the Convertible Bonds. The Company will notify the holders of Share Options and the Convertible Bonds regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and the Convertible Bonds.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Apart from the fund raising activities mentioned below, the Company has not conducted other equity fund raising exercise in the 12 months immediately preceding the date of this announcement.

Date of initial announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of net proceeds as announced	Actual use of net proceeds
20 January 2010	Placing of new Shares	HK\$23.39 million	For general working capital of the Group	Retained as general working capital of the Group

GENERAL

The Company was incorporated in Hong Kong with limited liability. The Group is principally engaged in the property investment and development and manufacture and sales of life-like plants.

The Company will despatch the Prospectus Documents to each of the Qualifying Shareholders and, for information only, the Prospectus to each of the Excluded Shareholders (if any) on or about Thursday, 7 October 2010.

DEFINITIONS

The following defined terms are used in this announcement:-

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which banks generally are open for business in Hong Kong
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Convertible Bonds”	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

“Excluded Shareholders”	the Overseas Shareholders whom the Board, after making enquiries, considers it necessary or expedient not to offer the Offer Shares to on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Acceptance Time”	4:00 p.m. on Thursday, 21 October 2010 or such later time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of Offer Shares
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Latest Acceptance Time, being the latest time by which the Underwriter may terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	Not less than 239,654,173 new Shares and not more than 264,759,173 new Shares to be issued by the Company pursuant to the Open Offer
“Open Offer”	the proposed issue of Offer Shares by the Company on the basis of one Offer Share for every two existing Shares to the Qualifying Shareholders at the Subscription Price, pursuant to the terms and conditions of the issue
“Overseas Shareholder(s)”	the Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the related application form(s)
“Qualifying Shareholders”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 6 October 2010 or such other date as may be agreed between the Company and the Underwriter
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary shares with par value of HK\$0.20 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company

“Share Option(s)”	the option(s) to subscribe for Share(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 22 July 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.25 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a corporation licensed to conduct Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 8 September 2010 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	all the Offer Shares, being not less than 239,654,173 Offer Shares and not more than 264,759,173 Offer Shares
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 8 September 2010

As at the date of this announcement, the board of directors of the Company comprises two executive Directors, Mr. Tse On Kin 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.