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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)

**(1) RESULTS OF THE OPEN OFFER OF 239,654,173 OFFER SHARES
AT HK\$0.25 PER OFFER SHARE ON THE BASIS OF
ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE
AND
(2) ADJUSTMENTS TO THE CONVERTIBLE BONDS
AND SHARE OPTIONS**

RESULTS OF THE OPEN OFFER

The Board is pleased to announce that the Open Offer became unconditional at 4:00 p.m. on Monday, 25 October 2010.

As at 4:00 p.m. on 21 October 2010, being the latest time for acceptance of and payment for the Open Offer, 22 valid acceptances have been received for a total of 191,300,843 Offer Shares under the assured allotment application forms (representing approximately 79.82% of the total number of the Offer Shares).

The Open Offer was under-subscribed by 48,353,330 Offer Shares, or approximately 20.18% based on the total number of 239,654,173 Offer Shares being offered under the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriter has procured subscription for the 48,353,330 Untaken Offer Shares.

The share certificates for the Offer Shares will be despatched by ordinary post to those persons who have validly accepted and paid for the Offer Shares on or before Wednesday, 27 October 2010 at their own risk.

Dealings in the Offer Shares on the Stock Exchange are expected to commence on Friday, 29 October 2010.

ADJUSTMENTS TO THE CONVERTIBLE BONDS

The conversion price of the Convertible Bonds and the total number of the Shares to be allotted and issued upon full exercise of the conversion rights attached to the Convertible Bonds have been adjusted as a result of the completion of the Open Offer.

ADJUSTMENTS TO THE SHARE OPTIONS

The exercise price and the number of Share Options have been adjusted as a result of the completion of the Open Offer.

Reference is made to the prospectus of the Company dated 7 October 2010 (the “**Prospectus**”) in relation to the Open Offer. Terms used herein shall have the same meanings as those defined in the Prospectus unless the context otherwise requires.

RESULTS OF THE OPEN OFFER

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As at 4:00 p.m. on 21 October 2010, being the latest time for acceptance of and payment for the Open Offer, 22 valid acceptances have been received for a total of 191,300,843 Offer Shares under the assured allotment application forms (representing approximately 79.82% of the total number of the Offer Shares).

The Open Offer was under-subscribed by 48,353,330 Offer Shares, or approximately 20.18% based on the total number of 239,654,173 Offer Shares being offered under the Open Offer.

UNDERWRITING ARRANGEMENT

Pursuant to the Underwriting Agreement, the Underwriter has procured subscribers (the “**Subscribers**”) to subscribe for the 48,353,330 untaken Offer Shares (the “**Untaken Offer Shares**”), representing approximately 20.18% of the total number of the Offer Shares and about 6.73% of the Company’s enlarged issued share capital immediately after completion of the Open Offer.

To the best of the Directors’ knowledge and information, each of the Subscribers and their respective ultimate beneficial owners (if any) is third party independent of and not connected with the Company and its connected person (as defined in the Listing Rules).

DESPATCH OF SHARE CERTIFICATES AND COMMENCEMENT OF DEALINGS IN THE OFFER SHARES

The share certificates for the Offer Shares will be despatched by ordinary post to the respective addresses (as shown on the register of members of the Company) of those persons who have validly accepted and paid for the Offer Shares on or before Wednesday, 27 October 2010 at their own risk.

Dealings in the Offer Shares on the Stock Exchange are expected to commence on Friday, 29 October 2010.

SHAREHOLDING STRUCTURES OF THE COMPANY

To the best knowledge and information of the Directors, the shareholding structures of the Company immediately before and after completion of the Open Offer are as follows:

Shareholders	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>No. of Shares</i>	<i>Approximate percentage (%)</i>	<i>No. of Shares</i>	<i>Approximate percentage (%)</i>
Public				
Underwriter	1	0.00	1	0.00
Subscribers	0	0.00	48,353,330	6.73
Other public Shareholders	<u>479,308,345</u>	<u>100.00</u>	<u>670,609,188</u>	<u>93.27</u>
Total	<u>479,308,346</u>	<u>100.00</u>	<u>718,962,519</u>	<u>100.00</u>

ADJUSTMENTS TO THE CONVERTIBLE BONDS

Pursuant to the terms of the instrument of the Convertible Bonds, the conversion price of the Convertible Bonds and the number of the Shares to be allotted and issued upon exercise of all the conversion rights attached to the Convertible Bonds have been adjusted (the “**CB Adjustments**”) as a result of completion of the Open Offer. The summary of the CB Adjustments is set out in the table below:

Convertible Bonds	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	Number of Shares to be allotted and issued upon exercise of all the conversion rights under the Convertible Bonds	Conversion price per Share	Adjusted number of Shares to be allotted and issued upon exercise of all the conversion rights under the Convertible Bonds	Adjusted conversion price per Share
The Convertible Bonds in the aggregate principal amount of HK\$40,000,000	<u>20,000,000</u>	<u>HK\$2.00</u>	<u>23,529,411</u>	<u>HK\$1.70</u>

Save for the above adjustments, all other terms and conditions of the Convertible Bonds remain unchanged.

SHINEWING (HK) CPA Limited, the auditor of the Company has reviewed and agreed that the CB Adjustments are in accordance with the terms of the instrument of the Convertible Bonds.

ADJUSTMENTS TO THE SHARE OPTIONS

Immediately before completion of the Open Offer, the Company had outstanding Share Options entitling their holders to subscribe for an aggregate of 30,210,000 Shares. As a result of completion of the Open Offer and the allotment and issue of 239,654,173 Offer Shares, the exercise price and the number of Share Options have been adjusted (the “**Option Adjustments**”) in accordance and in compliance with the supplementary guidance on Rule 17.03(13) of the Listing Rules issued by the Stock Exchange on 5 September 2005. The summary of the Option Adjustments is set out in the table below:

Immediately before completion of the Open Offer		Immediately after completion of the Open Offer		
Number of outstanding Share Options	Original exercise price per Share	Adjusted number of outstanding Share Options	Adjusted exercise price per Share	Exercisable period
30,210,000	HK\$0.478	34,208,382	HK\$0.422	22.2.2010 to 21.2.2013

SHINEWING (HK) CPA Limited, the auditor of the Company has reviewed and agreed that the exercise price and the number of Share Options have been adjusted in compliance with the Share Option Scheme and the supplemental guidance issued by the Stock Exchange on 5 September 2005. Save for the above adjustments, there will be no alteration to the rights of the holders of the outstanding Share Options.

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

Hong Kong, 26 October 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.