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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)

PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company and potential investors that, based on the unaudited consolidated management accounts of the Group, the Group is expected to record a substantial loss for the year ended 31 December 2010 as compared to that for the corresponding period in 2009.

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

This announcement is made by Kong Sun Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the year ended 31 December 2010 as compared to that of the corresponding period in 2009. Based on information currently available, the Board believes that the loss was primarily attributable to the increase in the operating costs, including labour costs in the People’s Republic of China, and the loss on early redemption of promissory note. The loss on early redemption of promissory note is non-cash items and does not have an impact on the operating cash flows of the Group.

The information contained in this announcement is only a preliminary assessment made by the Board based on the consolidated management accounts for the year ended 31 December 2010 which have not been audited by the Company's auditors. The Company is in the process of finalizing the results of the Group for the year ended 31 December 2010 which is expected to be published in March 2011.

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

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

Hong Kong, 16 February 2011

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. Lau Man Tak, Dr. Wong Yun Kuen and Mr. Man Kwok Leung.