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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)

**COMPLETION OF PLACING OF NEW SHARES UNDER
SPECIFIC MANDATE**

Placing Agent



KINGSTON SECURITIES LTD.

The Board is pleased to announce that the conditions of the Placing Agreement have been fulfilled and the completion of the Placing took place on 12 October 2012, where a total of 750,000,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees pursuant to the terms and conditions of the Placing Agreement.

References are made to the announcement of the Company dated 13 June 2012 (the “**Announcement**”) and the circular of the Company dated 5 July 2012 (the “**Circular**”) in relation to the Placing. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as those defined in the Circular.

COMPLETION OF THE PLACING

The Board is pleased to announce that the conditions of the Placing Agreement have been fulfilled and the completion of the Placing took place on 12 October 2012, where a total of 750,000,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK\$0.07 per Placing Share. To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, the Placees are Independent Third Parties. The gross proceeds from the Placing are approximately HK\$52.50 million and the net proceeds from the Placing are approximately HK\$50.32 million. None of the Placees and their respective associates has become a substantial Shareholder upon completion of the Placing.

SHAREHOLDING STRUCTURE OF THE COMPANY

The 750,000,000 Placing Shares represent (i) approximately 104.32% of the issued share capital of the Company immediately before completion of the Placing; and (ii) approximately 51.06% of the issued share capital of the Company immediately after completion of the Placing.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries and based on publicly available information, the shareholding structure of the Company (i) immediately before completion of the Placing and (ii) immediately after completion of the Placing are as follows:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	Number of shares	Approximate %	Number of shares	Approximate %
Ho Kam Hung	50,040,600	6.96	50,040,600	3.40
Public Shareholders:				
Placees (<i>Note</i>)	—	—	750,000,000	51.06
Other public shareholders	<u>668,921,919</u>	<u>93.04</u>	<u>668,921,919</u>	<u>45.54</u>
Total	<u>718,962,519</u>	<u>100.00</u>	<u>1,468,962,519</u>	<u>100.00</u>

Note: To the best of the Directors' knowledge, the Placees and their ultimate beneficial owners are Independent Third Parties. Therefore, the Placees are treated as public Shareholders.

By order of the Board
Kong Sun Holdings Limited
Chan Chi Yuen
Chairman

Hong Kong, 12 October 2012

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