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## **KONG SUN HOLDINGS LIMITED**

## **江山 控 股 有 限 公 司**

*(incorporated in Hong Kong with limited liability)*

### **FURTHER DELAY IN ANNUAL RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2002**

Reference is made to the announcement of the Company dated 25th April, 2003. The annual results announcement of Kong Sun Holdings Limited (the “Company”) for the year ended 31st December, 2002 (the “Annual Results Announcement”) shall be further delayed to on or before 12th June, 2003 due to delay in obtaining the financial information of an overseas subsidiary of the Company, 北京連訊維安科技有限公司 (Beijing Lian Shin Wei An Technology Company Limited\*), which was disposed of by the Company on 25th December, 2002.

Accordingly, the annual report of the Company for the year ended 31st December, 2002 (the “Annual Report”) to be despatched to its shareholders shall also be further delayed to on or before 19th June, 2003.

The directors of the Company acknowledge that they have breached paragraphs 8(1) and 11(1) of the Listing Agreement and The Stock Exchange of Hong Kong Limited reserves its rights to take appropriate actions against the Company and/or its directors in respect of the breach.

**Shareholders of the Company and the public are advised to exercise caution when dealing in the securities of the Company.**

Further to the Company’s announcement dated 25th April, 2003 regarding the delay in the Annual Results Announcement, the directors of the Company announce that there shall be a further delay in the publication of the audited results of the Company and its subsidiaries for the year ended 31st December, 2002 and the despatch of Annual Report which should have been published on 23rd April, 2003 and despatched on or before 30th April, 2003 respectively.

The delay is due to delay on the part of the Company in obtaining the financial information of an overseas subsidiary of the Company, 北京連訊維安科技有限公司 (Beijing Lian Shin Wei An Technology Company Limited\*), which was disposed of by the Company on 25th December, 2002, in respect of the period from 1st January, 2002 to the disposal of such subsidiary on 25th December, 2002. The overseas subsidiary of the Company is a PRC company based in Beijing, the PRC. Since the release of the Company’s announcement dated 25th April, 2003 and until last week, the outbreak

of severe atypical respiratory syndrome intensified in the PRC and in Hong Kong. A number of offices in Beijing, including the office of the overseas subsidiary and the auditors of the overseas subsidiary in Beijing, were temporary closed. During that period, the Company's staff were reluctant to travel to Beijing to carry out the preparation and review of the financial information of the overseas subsidiary and as a result, the audit work for the overseas subsidiary of the Company was severely delayed. The management and the finance staff of the Company and the Company's auditors shall require extra time to obtain and access the financial information of the overseas subsidiary. The directors of the Company expect an extension of two weeks will allow the Company and the auditors of the Company to complete the audit for the overseas subsidiary of the Company.

Since the Company's announcement on 25 April 2003, the directors of the Company have used their best endeavour to obtain the necessary additional financial information of the overseas subsidiary regarding sales and subsequent settlement for trade receivables by way of electronic communications. However, the temporary closure of offices of the overseas subsidiary and delay in posting preventing the employees of the Company and the Company's auditors from proceeding the audit work in schedule. In the meantime, the Company is still waiting from the overseas subsidiary for the additional supporting document regarding sales and subsequent settlement for trade receivables after the year end.

The Annual Results Announcement is now expected to be published on or before 12th June, 2003 and the Annual Report is expected to be despatched to the shareholders of the Company on or before 19th June, 2003. As the SARS crisis in the PRC and in Hong Kong have eased since late last week, the directors and the auditors of the Company have confirmed that the revised target dates for the release of the Annual Results Announcement and the despatch of the Annual Report are achievable and realistic.

Pursuant to the Listing Agreement, the Annual Results Announcement is required to be published and the Annual Report despatched to its shareholders on or before 30th April, 2003. The directors of the Company acknowledge that they have breached paragraphs 8(1) and 11(1) of the Listing Agreement as a result of the delay in publishing the Annual Results Announcement and the despatch of the Annual Report and The Stock Exchange of Hong Kong Limited reserves its rights to take appropriate actions against the Company and/or its directors in respect of the breach.

The following is the extract of the unaudited 2002 annual results of the Company reviewed by the Audit Committee of the board of directors of the Company subject to the Annual Results Announcement.

	<b>2002</b> <b>Unaudited</b> <i>HK\$'000</i>	2001 Audited <i>HK\$'000</i>
Turnover	<b>235,513</b>	143,366
(Loss)/Profit from operating activities	<b>(51,909)</b>	32,912
(Loss)/Profit before taxation	<b>(123,687)</b>	21,992
(Loss)/Profit after taxation and before minority interests	<b>(125,306)</b>	20,974
Net (Loss)/Profit from ordinary activities attributable to shareholders	<b>(127,072)</b>	17,155
(Loss)/Earnings per share		
Basic	<b>(0.05 cents)</b>	1.47 cents

The directors of the Company have respectively confirmed that they have not dealt in the shares of the Company since 22nd March, 2003 and have also undertaken not to deal in the shares of the Company until the publication of the Annual Results Announcement. Each director of the Company is aware of and will comply with Rule 3 of Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**Shareholders of the Company and the public are advised to exercise caution when dealing in the securities of the Company.**

\* *for identification purposes only*

By Order of the Board  
**Kong Sun Holdings Limited**  
**Kong Look Sen**  
*Chairman and Managing Director*

Hong Kong, 28th May, 2003

Please also refer to the published version of this announcement in The Standard.