

On behalf of the Board of Directors, I am pleased to present the annual results of Kong Sun Holdings Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2004.

This has been a difficult year for Kong Sun Holdings Limited and its subsidiaries. Cost reduction programs had been vigorously implemented during the year by ceasing some deficit operations and realizing some low-yield properties of the Group. On one hand, loss for the year has been substantially narrowed when compared with last year; but on another, the sharp reduction in cash flow resulting from the cost reduction program has aggravated the tight financial conditions the Group already faced. Exploring new source of finance and restructuring the existing indebtedness will be the prime target of the Group for the coming year.

The Group's results for the year under review generally reflected the financial difficulties the Group has experienced. Due to the cessation of the Group's computer trading business, turnover has been substantially reduced to HK\$12,329,000, a 90% decrease as compared with that of last year. However, loss for the year has also been narrowed to HK\$29,962,000 as compared to HK\$341,083,000 recorded in last year. Loss per share stood at HK\$1.17 cents as compared to HK\$13.32 cents in the previous year. Further reduction in deficit and possible return to profitability will be our next target for the years to come.

The Group still maintains a diversified investment portfolio in Malaysia and Hong Kong and the Group will leverage the existing asset base to re-establish steady investment income and more importantly, to improve shareholder returns.

Finally, I would like to take this opportunity to extend my sincere thanks to all our business partners, shareholders, directors and staff for their support and contribution to the Group during the past year. We look forward to a new and interesting year.

KONG LOK KING

Chairman

Hong Kong, 16 June 2006