



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 295)

WINDING-UP PETITION AND ITS DISMISSAL

Winding-up petition presented by a creditor of the Company

As reported by a newspaper on 23 December 2006, Vigers Hong Kong Limited (the “Creditor”), one of the creditors of the Company, presented a winding-up petition (the “Petition”) to the High Court on 21 December 2006 for the winding-up of the Company. Hearing date of the Petition was initially fixed on 28 February 2007.

Dismissal of the winding-up petition

As a result of a settlement agreement reached with the Creditor before the hearing of the Petition, the Creditor and the Company jointly applied for the dismissal of the Petition. An order for dismissal of the Petition was granted on 5 March 2007.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 17 June 2004 at the request of the Company.

In view of a number of outstanding issues pertaining to the financial conditions of the Company, shares will remain suspended pending demonstration by the Company to the satisfaction of the Stock Exchange that, among others, the Company is able to comply with Rule 13.24 of the Listing Rules.

Shareholders and the public are advised to exercise caution when dealing in the Shares.

Winding-up petition presented by a Company’s creditor

As reported by a newspaper on 23 December 2006, Vigers Hong Kong Limited (the “Creditor”), one of the creditors of the Company, presented a winding-up petition (the “Petition”) to the High Court on 21 December 2006 for the winding-up of the Company. The Petition was presented by the Creditor as the Company defaulted in paying the Creditor the sum of HK\$100,000.00 together with interest and relevant legal cost (the “Judgment Sum”) pursuant to a judgment entered on 25 April 2005 in the District Court due to the serious financial difficulties encountered by the Company. Hearing date of the Petition was initially fixed on 28 February 2007.

Dismissal of the winding-up petition

On 21 February 2007, the Company reached a settlement agreement with the Creditor to settle the Judgment Sum. As a result, the Creditor and the Company jointly applied to the High Court for the dismissal of the Petition. An order for dismissal of the Petition was granted on 5 March 2007.

General

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 17 June 2004 at the request of the Company.

In view of a number of outstanding issues pertaining to the financial conditions of the Company, shares will remain suspended pending demonstration by the Company to the satisfaction of the Stock Exchange that, among others, the Company is able to comply with Rule 13.24 of the Listing Rules.

Shareholders and the public are advised to exercise caution when dealing in the Shares.

The Board as at the date hereof comprises:

Kong Li Szu

Chan Chi Yuen

Cham Yiu Keung

(Executive Directors)

Chan Chiu Hung, Alex

Lo Tat Shing

Lo Miu Sheung, Betty

(Independent Non-Executive Directors)

By Order of the Board

Kong Li Szu*Executive Director*

Hong Kong, 12 March 2007

Please also refer to the published version of this announcement in China Daily.