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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)

HEARING OF THE WINDING-UP PETITION AND THE RESIGNATION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR

Hearing of the winding-up petition

Reference is made to the Company's Announcement on 14 February 2006 and 23 March 2006 concerning the Hearing of the winding-up petition (the "Hearing") filed by, Industrial and Commercial International Capital Limited (the "Creditor") on 27 March 2006. The Judge of High Court on 27 March 2006 has adjourned the hearing to 10 April 2006 for further negotiation of a possible settlement with the Creditor.

Resignation of independent non-executive director

The Board also announces that Mr. Sin Wai Chiu, Joseph, has tendered his resignation as independent non-executive Director and member of the audit committee (the "Resignation") with effect from 24 March 2006 due to personal reasons. In this respect, the Company is in breach of Rule 3.10 and 3.21 of the Listing Rules which states that the Company must have at all time at least three independent non-executive directors and an audit committee comprising a minimum of three non-executive directors whereas the Company is now having only one. The Company is now actively seeking appropriate candidates to replace the two vacancies.

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 the winding-up petition and 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.

HEARING OF THE WINDING-UP PETITION

Reference is made to the Company's Announcement on 14 February 2006 and 23 March 2006 concerning the Hearing of the winding-up petition (the "Hearing") filed by, Industrial and Commercial International Capital Limited (the "Creditor") on 27 March 2006. As the repayment

proposal has not yet be finalized with the Creditor before the Hearing, the Judge of High Court on 27 March 2006 has adjourned the hearing to 10 April 2006 for further negotiation of a possible settlement with the Creditor. As a result, the Board expects the 2004 Annual Results and 2005 Interim Results of the Company as mentioned in the announcement on 23 March 2006 will be published as stated.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board also announces that Mr. Sin Wai Chiu, Joseph (“Mr. Sin”) has tendered his resignation as independent non-executive Director and member of the audit committee (the “Resignation”) with effect from 24 March 2006 due to personal reasons. Mr. Sin has confirmed that he has no disagreement with the Board and there are no other matters relating to the Resignation that need to be brought to the attention of the Shareholders. In this respect, the Company is in breach of Rule 3.10 and 3.21 of the Listing Rules which states that the Company must have at all time at least three independent non-executive directors and an audit committee comprising a minimum of three non-executive directors whereas the Company is now having only one. The Company is now actively seeking appropriate candidate to replace the two vacancies. The Company will announce immediately once any appointment is made.

GENERAL

The Directors confirm that they have not dealt in the securities of the Company since 30 March 2004 and they will not deal in the Shares until the Annual Results are announced.

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 the winding-up petition and 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 Lok King

(Chairman and Managing Director)

Kong Li Jer

(Executive Director)

Kong Li Szu

(Executive Director)

Ip Man Tin, David

(Independent non-executive Director)

By Order of the Board

Kong Li Szu

Executive Director

Hong Kong, 28 March 2006

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