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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)

FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS, DESPATCH OF ANNUAL REPORT, PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT, HEARING OF THE WINDING-UP PETITION AND THE RESIGNATION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR

Further delay in publication of Annual Results, despatch of Annual Report, release of Interim Results and despatch of Interim Report

Reference is made to the Company's Announcements on 2 August 2005, 23 November 2005, 16 December 2005 as well as 1 February 2006 concerning the delay in publication of Annual Results and despatch of Annual Report, delay in release of Interim Results and despatch of Interim Report. The Company announces that the publication and despatch of 2004 Annual Results will be further delayed to 24 April 2006 and 2 May 2006 respectively, while the publication and despatch of 2005 Interim Results will also be further delayed to 8 May 2006 and 15 May 2006 respectively. The further delay is due to the fact that the Company's auditors required to know the result of the Hearing of the winding-up petition filed to the High Court by a Company's creditor to be heard on 27 March 2006 (the "Hearing") before any audit opinion could be formed.

Hearing of the winding-up petition

Reference is made to the Company's Announcement on 14 February 2006 concerning the adjournment of the Hearing to 27 March 2006. The Company will make instant announcement for the result of the Hearing.

Resignation of independent non-executive director

The Board also announces that Mr. Ku Suen Fai has tendered his resignation as independent non-executive Director and member of the audit committee (the "Resignation") with effect from 23 February 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 members whereas the Company is now having only two members. The Company is now actively seeking appropriate candidate to replace the vacancy.

The delay in publication of the Annual Results and the despatch of the Annual Report constitute breaches of Rules 13.49(1) and 13.46(1) while the delay in publication of 2005 Interim Results also constitute breaches of Rules 13.48(1) and 13.49(6) of the Listing Rules, respectively by the Company as the Company has repeatedly delayed the publication and despatch of above since the announcement on 2 August 2005. In addition, note 2 of Rule 13.46(b) of the Listing Rules states that section 122 of the Companies Ordinance requires the annual accounts of a Hong Kong issuer which are laid before the issuer at its annual general meeting to be made up to a date falling not more than 6 months before the date of the meeting.

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.

Further delay in publication of Annual Results, despatch of Annual Report, release of Interim Results and despatch of Interim Report

Reference is made to the Company's Announcements on 2 August 2005, 23 November 2005, 16 December 2005 as well as 1 February 2006 concerning the delay in publication of Annual Results and despatch of Annual Report, delay in release of Interim Results and despatch of Interim Report. The Company announces that the publication and despatch of 2004 Annual Results will be further delayed to 24 April 2006 and 2 May 2006 respectively, while the publication and despatch of 2005 Interim Results will also be further delayed to 8 May 2006 and 15 May 2006 respectively. The further delay is due to the fact that the Company's auditors required to know the result of the Hearing of the winding-up petition filed to the High Court by a Company's creditor to be heard on 27 March 2006 (the "Hearing") before any audit opinion could be formed. The Board also expects that the result of the Hearing should be obtained within one month.

Hearing of the winding-up petition

Reference is made to the Company's Announcement on 14 February 2006 concerning the adjournment of the Hearing to 27 March 2006. The Company will make instant announcement for the result of the Hearing.

Resignation of independent non-executive director

The Board also announces that Mr. Ku Suen Fai ("Mr. Ku") has tendered his resignation as independent non-executive Director and member of the audit committee (the "Resignation") with effect from 23 February 2006 due to personal reasons. Mr. Ku 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 Rules 3.10 and 3.21 of the Listing Rules which state that the Company must have at all time at least three independent non-executive directors and an audit committee comprising a minimum of three members whereas the Company is now having only two members. The Company is now actively seeking appropriate candidate to replace the vacancy. The Company will announce immediately once appointment is made.

The delay in publication of the Annual Results and the despatch of the Annual Report constitute breaches of Rules 13.49(1) and 13.46(1) while the delay in publication of 2005 Interim Results constitute breaches of Rules 13.48(1) and 13.49(6) of the Listing Rules, respectively by the Company as the Company has repeatedly delayed the publication and despatch of above since the announcement on 2 August 2005. In addition, note 2 of Rule 13.46(b) of the Listing Rules states that section 122 of the Companies Ordinance requires the annual accounts of a Hong Kong issuer which are laid before the issuer at its annual general meeting to be made up to a date falling not more than 6 months before the date of the meeting.

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)

Sin Wai Chiu, Joseph

(Independent non-executive Director)

Ip Man Tin, David

(Independent non-executive Director)

By Order of the Board

Kong Li Szu

Executive Director

Hong Kong, 23 March 2006

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