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KONG SUN HOLDINGS LIMITED
江山控股有限公司

(incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 295)

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF
PROPERTY DEVELOPMENT IN CAMBODIA**

The Board is pleased to announce that on 10 April, 2008, Elite Corner, a wholly-owned subsidiary of the Company has entered into a memorandum of understanding with Ms. Chau, an independent third party and not a connected person of the Company, under which, Elite Corner was granted a sole and exclusive right to develop a piece of land located in the Siem Reap province of Cambodia into hotel resort and commercial complex.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 17 June 2004 and will remain suspended until further notice.

THE MEMORANDUM OF UNDERSTANDING DATED 10 APRIL, 2008

Background

On 10 April, 2008, Elite Corner Limited (the "Elite Corner"), a wholly owned subsidiary of Kong Sun Holdings Limited (the "Company") and Ms. Chau Dinh Nhi ("Ms. Chau"), an independent third party and not a connected person of the Company, entered into a Memorandum of Understanding (the "MOU"), under which, Ms. Chau granted a sole and exclusive right to Elite Corner to develop a piece of land with a total area of approximately 37,498 square metres located in the Siem Reap province of Cambodia into hotel resort and commercial complex (the "Cooperation Project").

Major Terms of the MOU

The MOU is legally binding between Elite Corner and Ms. Chau (collectively refer to the "Parties"). Both Parties also agreed in principle that (a) Ms. Chau shall grant to Elite Corner an exclusive right to develop the Cooperation Project which Ms. Chau shall bear all the development and construction costs arising out of and incidental to the Cooperation Project; (b) Elite Corner shall provide management services (the "Management Services"), including but not limited to, (i) design of the hotel resort and

commercial complex; (ii) market research; and (iii) engagement of professionals including, but not limited to, surveyors, architectures, interior designers and engineers whom are necessary for the design work of the Cooperation Project; and (c) subject to the entering into of the Formal Agreement, Ms. Chau shall pay Elite Corner the management fee equivalent to 15% of the total development and construction costs of the Cooperation Project.

Pursuant to the terms of the MOU, Elite Corner has the sole and exclusive right for the period from 10 April, 2008 up to the signing of the Formal Agreement or on 9 April, 2009, whichever is earlier (“Exclusivity Period”) to negotiate with Ms. Chau with a view to agreeing on the terms of and executing the Formal Agreement. During the Exclusivity Period, Ms. Chau will not, without prior consent of Elite Corner, enter into discussions or negotiations with, or provide any information concerning the Land or the Cooperation Project to any third party. Ms. Chau also undertakes that if the Parties fail to enter into the Formal agreement within the Exclusivity Period for whatever reason, Ms. Chau shall fully reimburse Elite Corner 115% of any fees, costs and expenses arising from the Management Services already paid by Elite Corner.

Reason for entering into the MOU

The Company and its subsidiaries are principally engaged in the business of property development and investment. By entering into the MOU, the Company can strengthen its property development business without utilizing substantial cashflow.

Suspension of Trading

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 17 June 2004 and will remain suspended until further notice.

By Order of the board of directors of
Kong Sun Holdings Limited
Tse On Kin
Chairman

Hong Kong, 11 April 2008

As at the date of this announcement, the Board of Directors of Kong Sun Holdings Limited comprise three Executive Directors, Mr. Tse On Kin, Mr. Chan Chi Yuen and, Mr. Kong Li Szu; and three Independent Non-executive Directors, Ms. Lo Miu Sheung, Betty, Mr. Chan Chiu Hung, Alex and Dr. Wong Yun Kuen.