

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 295)

ANNOUNCEMENT

**(1) FURTHER EXTENSION OF LONG STOP DATE IN RELATION TO THE
TREE ACQUISITION AGREEMENT AND
CB PLACING AGREEMENT
AND
(2) SECOND CB PLACING AGREEMENT**

References are made to the announcements of the Company dated 12 October 2007, 28 December 2007 and 29 February 2008, among other things, in relation to the Tree Acquisition Agreement. The Tree Parties agreed to extend the Tree Long Stop Date to 30 September 2008.

References are also made to the announcements of the Company dated 26 October 2007, 28 December 2007 and 29 February 2008, among other things, in relation to the CB Placing Agreement. The CB Parties agreed to extend the Long Stop Date to 30 September 2008.

On 24 April 2008, the Company entered into the Second CB Placing Agreement with the Placing Agent in respect of the conditional issue of the Second Convertible Bonds in the principal amount of HK\$25 million. Subject to satisfaction of the conditions to the Second CB Placing Agreement, the Placing Agent will place the Second Convertible Bonds to not less than six places who, and each of their ultimate beneficial owners (where appropriate), are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company on a fully underwritten basis. The holders of the Second Convertible Bonds will be entitled to convert the Second Convertible Bonds into Conversion Shares at the Conversion Price and upon such conversion, will be entitled to receive three Bonus Shares.

The proposed issue of the Second Convertible Bonds is subject to Shareholders' approval. The Company will seek a specific mandate from the Shareholders at the EGM for the allotment and issue of the Conversion Shares and the Bonus Shares attached to the Second Convertible Bonds. A circular containing, amongst other things, further details of the Second Convertible Bonds will be despatched to the Shareholders as soon as practicable.

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.

FURTHER EXTENSION OF LONG STOP DATE IN RELATION TO THE TREE ACQUISITION AGREEMENT AND THE CB PLACING AGREEMENT

References are made to the announcements of the Company dated 12 October 2007, 28 December 2007 and 29 February 2008, among other things, in relation to the Tree Acquisition Agreement.

TREE ACQUISITION

On 19 May 2007, Brightpower, Eternal Gain and the Company entered into Tree Acquisition Agreement whereby Brightpower agreed to sell and Eternal Gain agreed to purchase the Tree Sale Shares.

Pursuant to Clause 3.1 of the Tree Acquisition Agreement, completion is subject to the satisfaction of the conditions precedent set out under such Clause 3.1 on or before the Tree Long Stop Date, being 30 September 2007 or such other date as the parties thereto may agree.

On 19 September 2007, the parties (the “**Tree Parties**”) to the Tree Acquisition Agreement entered into the Tree Supplemental Agreement extending the Tree Long Stop Date from 30 September 2007 to 31 December 2007. Pursuant to Clause 2 of the Tree Supplemental Agreement, the Tree Parties agreed that the definition of Tree Long Stop Date set out in Clause 3.1 of the Tree Acquisition Agreement shall be amended and extended to 31 December 2007 or such other date as the Tree Parties may agree.

On 17 December 2007, the Tree Parties entered into a letter agreement (the “**Second Tree Supplemental Agreement**”). Pursuant to the fourth paragraph of the Second Tree Supplemental Agreement, the Tree Parties agreed to further extend the Tree Long Stop Date to 29 February 2008 or such other date as the Tree Parties may agree.

On 28 February 2008, the Tree Parties entered into third supplemental agreement (the “**Third Tree Supplemental Agreement**”). Pursuant to Clause 1 of the Third Tree Supplemental Agreement, the Tree Parties agreed to further extend the Tree Long Stop Date to 31 May 2008 or such other date as the Tree Parties may agree.

On 20 May 2008, the Tree Parties entered into fourth supplemental agreement (the “**Fourth Tree Supplemental Agreement**”). Pursuant to Clause 1 of the Fourth Tree Supplemental Agreement, the Tree Parties agreed to further extend the Tree Long Stop Date to 30 September 2008 or such other date as the Tree Parties may agree.

The reason for further extension of the Tree Long Stop Date is that more time is required to satisfy the conditions in particular the resumption of the trading of shares of the Company has yet to be granted and the Company has yet to apply to the Stock Exchange for granting in the issue of the Tree Conversion Shares as set out in the Tree Acquisition Agreement.

Save as amended by the Fourth Tree Supplemental Agreement, the Third Tree Supplemental Agreement, the Second Tree Supplemental Agreement and the Tree Supplemental Agreement, all other terms and conditions of the Tree Acquisition Agreement remain unchanged and valid.

References are made to the announcements of the Company dated 26 October 2007, 28 December 2007 and 29 February 2008, among other things, in relation to the CB Placing Agreement.

PLACING OF CONVERTIBLE BONDS

On 16 February 2007 and 24 April 2007, the Company entered into the Term Sheet and the CB Placing Agreement with the Placing Agent in respect of the conditional issue of the Convertible Bonds in the principal amount of HK\$100 million. Completion is subject to satisfaction of the conditions set out under such Clause 2.1 in the CB Placing Agreement.

On 19 September 2007, the parties (the “**CB Parties**”) to the CB Placing Agreement entered into the CB Supplemental Agreement extending the Long Stop Date from 30 September 2007 to 31 December 2007. Pursuant to Clause 2 of the CB Supplemental Agreement, the CB Parties agreed that the Long Stop Date for the satisfaction of the conditions precedent in Clause 2.1 of the CB Placing Agreement be amended and extended to 31 December 2007 or such other date as the CB Parties may agree.

On 17 December 2007, the CB Parties entered into second CB supplemental agreement (the “**Second CB Supplemental Agreement**”). Pursuant to Clause 2 of the Second CB Supplemental Agreement, the CB Parties agreed to further extend the Long Stop Date to 29 February 2008 or such other date as the CB Parties may agree.

On 28 February 2008, the CB Parties entered into third supplemental agreement (the “**Third CB Supplemental Agreement**”). Pursuant to Clause 1 of the Third CB Supplemental Agreement, the CB Parties agreed to further extend the Long Stop Date to 31 May 2008 or such other date as the CB Parties may agree.

On 24 April 2008, the CB Parties entered into fourth supplemental agreement (the “**Fourth CB Supplemental Agreement**”). Pursuant to Clause 1 of the Fourth CB Supplemental Agreement, the CB Parties agreed to further extend the Long Stop Date to 30 September 2008 or such other date as the CB Parties may agree.

The reason for further extension of the Long Stop Date is that more time is required to satisfy the conditions in particular the resumption of the trading of shares of the Company has yet to be granted and the Company has yet to apply to the Stock Exchange for granting in the issue of the Conversion Shares as set out in the CB Placing Agreement.

Save as amended by the Fourth CB Supplemental Agreement, the Third CB Supplemental Agreement, the Second CB Supplemental Agreement and the CB Supplemental Agreement, all other terms and conditions of the CB Placing Agreement remain unchanged and valid.

SECOND CB PLACING AGREEMENT

I. The Second Convertible Bonds

On 24 April 2008, the Company entered into a Second CB Placing Agreement with the Placing Agent in respect of the conditional issue of the Second Convertible Bonds in the principal amount of HK\$25 million.

The holders of the Second Convertible Bonds will be entitled to convert the Second Convertible Bonds into Conversion Shares at the Conversion Price and upon such conversion, will be entitled to receive three Bonus Shares.

Save for the principal amount of the Second Convertible Bonds of HK\$25 million, all other principal terms of the Second Convertible Bonds pursuant to the Second CB Placing Agreement are same as those of CB Placing Agreement dated 24 April 2007. The principal terms of the Second Convertible Bonds are set out in the section “II. Principal terms of the Second Convertible Bonds” below.

The Placing Agent will receive a placing commission of 2.5% of the principal amount of the Second Convertible Bonds.

II. Principal terms of the Second Convertible Bonds

Issuer: the Company

Placing Agent: Kingston Securities Limited

Basis: Fully underwritten basis

Placees: Not less than six placees to be procured by the Placing Agent who, and each of their ultimate beneficial owners (where appropriate), are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company. The placees and their ultimate beneficial owners (where appropriate) will also be third parties independent of (a) Brightpower and its ultimate beneficial owners and their respective associates; and (b) Ms. Chu Yuet Wah and Ms. Ma Siu Fong and their respective associates.

The Placing Agent will not place to any placee an amount of the Second Convertible Bonds which will entitle each holder of the Second Convertible Bonds and their respective associates to become a substantial shareholder (as defined under the Listing Rules) of the Company upon full conversion of their respective Second Convertible Bonds and the issue of the corresponding Bonus Shares.

The Placing Agent has given an undertaking to the Company that it will appoint sub-placing agents (where appropriate) to ensure sufficient amounts of the Second Convertible Bonds will be placed to sufficient number of places so that the Placing Agent will not have to underwrite such amounts of the Second Convertible Bonds entitling it to convert into 30% or more of the equity interest in the Company upon full conversion, and the Placing Agent's equity interest in the Company will not be more than the Kong's family's interest in the Company, holding in aggregate 1,525,507,921 Shares as at the date of this announcement.

Amount: HK\$25 million

Maturity Date: Three years from the date of issue of the Second Convertible Bonds

Conversion Period: The Second Convertible Bonds can be converted, at the option of the holders of the Second Convertible Bonds, at any time and from time to time from the date of issue of the Second Convertible Bonds to and include the Maturity Date

Coupon: 8% per annum, payable semi-annually in arrears

Security: The Second Convertible Bonds will be unsecured

Conversion Price: HK\$0.10 per Conversion Share

The conversion price will be subject to adjustments for, amongst other things, consolidations or subdivisions of Shares, capital distributions, bonus issues, rights issues and other usual events which may have a dilution effect on the Second Conversion Shares to be allotted and issued to the holders of the Second Convertible Bonds upon the exercise of the conversion right attached to under the Second Convertible Bonds.

Conversion Shares: 250,000,000 Conversion Shares, will be issued pursuant to a specific mandate to be sought at the EGM to approve the Second Convertible Bonds and the transactions contemplated thereunder.

The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all Shares in issue at the date of allotment and issue of such Conversion Shares.

Transferability: With the prior notification to the Company, the Second Convertible Bonds (or any part thereof) may be transferred or assigned by the holders of the Second Convertible Bonds in whole or in multiples of HK\$1,000,000 to any party other than a connected person of the Company. Any proposed transfer to a connected person of the Company (as defined in the Listing Rules) or its associates shall be subject to the prior consent of the Company, and where applicable, compliance by the holders of the Second Convertible Bonds with the relevant laws and regulations, including but not limited to the Listing Rules.

Bonus Shares: Upon exercise of the conversion right attached to the Second Convertible Bonds for the Conversion Shares, the holders of the Second Convertible Bonds will be entitled to receive three Bonus Shares for every Conversion Share so converted.

750,000,000 Bonus Shares will be credited as fully paid by way of capitalization of an amount of not less than HK\$75 million in the share premium account of the Company earmarked for this purpose.

Assuming full conversion of the Second Convertible Bonds, 250,000,000 Conversion Shares and 750,000,000 Bonus Shares will be issued to the holders of the Second Convertible Bonds on the basis of three Bonus Shares for each Conversion Share. The aggregate 1,000,000,000 Conversion Shares and Bonus Shares to be issued represent approximately 39.04% of the existing issued share capital of the Company and approximately 28.08% of the enlarged issued share capital of the Company upon the issue of Conversion Shares and Bonus Shares.

The Bonus Shares will be issued pursuant to a specific mandate to be sought at the EGM to approve the Second Convertible Bonds and the transactions contemplated thereunder.

The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with all Shares in issue at the date of allotment and issue of such Bonus Shares.

Redemption: The Company has the right to redeem at any time during the Conversion Period all or part of the outstanding Second Convertible Bonds in multiples of HK\$1,000,000 at its par value.

The Second Convertible Bonds may be redeemed by the holders of the Second Convertible Bonds after end of the 24th month from the date of issue of the Second Convertible Bonds to the Maturity Date or upon occurrence of an event of default and if so requested in writing by the holders of the Second Convertible Bonds. The following events will constitute an event of default:

- (i) non-payment of any amount due under any Second Convertible Bonds;
- (ii) appointment of receivership, declaration of insolvency or a bankruptcy petition against the Company;
- (iii) the Group as a whole ceases to carry on its ordinary course of business;
- (iv) adverse material change in the business nature of the Group as a whole;
- (v) material cross default by the Company or any of its subsidiaries;
- (vi) trading in the Shares on the Stock Exchange being suspended for a period of more than ten (10) consecutive trading days excluding any suspension for the purposes of clearing any announcement and circular in relation to any transactions conducted on the part of the Company under the Listing Rules; or
- (vii) material adverse change in the financial condition of the Company or any of its subsidiaries.

Mandatory Conversion: Parties have agreed that at any time during the Conversion Period, the Company has the right to mandatorily convert all the outstanding amount of the Second Convertible Bonds into Conversion Shares.

The initial conversion price of HK\$0.10 per Conversion Share represents:

- (i) a premium of 300% over the closing price of HK\$0.025 per Share as quoted on the Stock Exchange on 16 June 2004, being the last trading day before the date of this announcement; and
- (ii) a premium of approximately 297% over the average of the closing prices of approximately HK\$0.0252 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 16 June 2004, being the last trading day before the date of this announcement;

- (iii) a premium of approximately 355% over the audited consolidated net asset value of the Company per Share of approximately HK\$0.022 as at 31 December 2007; and
- (iv) the nominal price of the Share of HK\$0.10 each.

Since three Bonus Shares will be issued upon successful conversion of one Conversion Share, for illustration purpose, the average price of HK\$0.025 for each of the Conversion Share and the three Bonus Shares represents:

- (i) the same price of HK\$0.025 per Share as quoted on the Stock Exchange on 16 June 2004, being the last trading day before the date of this announcement; and
- (ii) a discount of approximately 0.79% to the average of the closing prices of approximately HK\$0.0252 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 16 June 2004, being the last trading day before the date of this announcement;
- (iii) a discount of approximately 13.64% to the audited consolidated net asset value of the Company per Share of approximately HK\$0.022 as at 31 December 2007; and
- (iv) a discount of 75% to the nominal price of the Share of HK\$0.10 each.

The following table illustrates the shareholding structure of the Company upon full conversion of the Convertible Bonds and the Second Convertible Bonds and issue of the Bonus Shares which will not result in a change of control of the Company.

Shareholders	Shares in issue as at the date of the resumption proposal		Shares in issue upon full conversion of Convertible Bonds and issue of Bonus Shares and the conversion of the Tree Convertible Bonds pursuant to the December Circular		Shares in issue upon full conversion of Convertible Bond and the Second Convertible Bonds, issue of Bonus Shares, and the conversion of the Tree Convertible Bonds	
	Shares	%	Shares	%	Shares	%
Kong Fa Holding Limited	1,053,850,042	41.15	1,053,850,042	15.14	1,053,850,042	13.24
Kong Sun Enterprise Sdn. Bhd.	403,375,794	15.74	403,375,794	5.78	403,375,794	5.07
Kong Look Sen (deceased) (Note 1)	22,760,695	0.89	22,760,695	0.33	22,760,695	0.28
Kong Li Jer (Note 2)	22,760,695	0.89	22,760,695	0.33	22,760,695	0.28
Kong Li Szu	22,760,695	0.89	22,760,695	0.33	22,760,695	0.28
Subtotal for Kong's Family	1,525,507,921	59.56	1,525,507,921	21.91	1,525,507,921	19.15
Brightpower	–	–	400,000,000	5.75	400,000,000	5.02
Public						
Existing public shareholders	1,035,659,000	40.44	1,035,659,000	14.88	1,035,659,000	13.01
Holdings of Convertible Bonds (Note 3)	–	–	4,000,000,000	57.46	4,000,000,000	50.24
Holdings of Second Convertible Bonds (Note 3)	–	–	–	–	1,000,000,000	12.58
Subtotal for Holders of Convertible Bonds	–	–	4,000,000,000	57.46	5,000,000,000	62.82
Subtotal for public Shareholders	1,035,659,000	40.44	5,035,659,000	72.34	6,035,659,000	75.83
Total	2,561,166,921	100	6,961,166,921	100	7,961,166,921	100

Notes:

1. Father of Kong Li Szu who passed away on 6 July 2004.
2. Brother of Kong Li Szu.
3. Not less than six places to be procured by the Placing Agent. The Placing Agent undertakes that no Convertible Bond or Second Convertible Bond holder will take up upon conversion 30% or more of the equity interest nor become a substantial holder. Thus, there will not be a change in control of the Company upon the completion of full conversion of the Convertible Bonds and the Second Convertible Bonds.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Bonus Shares which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Second Convertible Bonds.

The Company undertakes to the Stock Exchange that it will notify the Stock Exchange upon becoming aware of any dealings in the Second Convertible Bonds by any connected persons of the Company.

III. Conditions precedent to the issue of the Second Convertible Bonds

The issue of the Second Convertible Bonds is conditional upon the following conditions being satisfied on or before the Second Long Stop Date:

- (a) the Stock Exchange approving the resumption of trading in the Shares of the Company;
- (b) the obtaining of the necessary shareholders' approval of the Company at the EGM in relation to the Second CB Placing Agreement and the transactions contemplated thereunder, including the issue of the Second Convertible Bonds, the allotment and issue of up to 250,000,000 Conversion Shares; and the allotment and issue of up to 750,000,000 Bonus Shares;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Conversion Shares and the Bonus Shares; and

If the above conditions are not satisfied on the Second Long Stop Date, or such later time or date as may be agreed between the Placing Agent and the Company in writing, the Placing Agent may, at any time thereafter, terminate its obligations under the Second CB Placing Agreement by notice in writing to the Company, whereupon the obligations of the Placing Agent under the Second CB Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against any of the others, save for any antecedent breach thereof.

IV. Use of proceeds

The aggregated net proceeds upon full conversion of the Convertible Bonds and the Second Convertible Bonds of approximately HK\$121.7 million (being gross proceeds of HK\$125 million net of placing commission and professional service fee of approximately HK\$3.3 million) will be used as to repay all the Group's outstanding indebtedness of approximately HK\$77 million, representing the aggregate amount of current and non-current liabilities as at 31 December 2007 pursuant to the result announcement dated 29 April 2008, settle the Tree Promissory Note of approximately HK\$20 million and the remaining balance as general working capital of the Group upon completion of the Tree Acquisition and the Properties Acquisition as well as the development of the cooperation project pursuant to the MOU Announcement.

V. Listing Rules implication

As at the date of this announcement, as the Company did not have a general mandate to issue and allot Shares, the issue of the Conversion Shares upon the conversion of the Second Convertible Bonds and the issue of the Bonus Shares will be made under a specific mandate to be obtained from the Shareholders at the EGM.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, none of the Shareholders have any material interest in the Second CB Placing Agreement. Accordingly, no Shareholder is required to abstain from voting in EGM to be convened to approve the Second CB Placing Agreement and the transactions contemplated thereunder, including the issue of the Second Convertible Bonds, the allotment and issue of up to 250,000,000 Conversion Shares; and the allotment and issue of up to 750,000,000 Bonus Shares.

The Directors, including the independent non-executive Directors, believe the terms of the Second CB Placing Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

A circular containing, inter alia, further information on the Second CB Placing Agreement will be despatched to the Shareholders as soon as practicable.

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.

DEFINITIONS

“Board”	the board of Directors
“Bonus Shares”	the issue of three new Shares per Conversion Share to the holders of Convertible Bonds credited as fully paid upon their exercise of the conversion rights attached to the Convertible Bonds
“Brightpower”	Brightpower Assets Management Limited
“CB Placing Agreement”	the placing agreement dated 24 April 2007 and entered into between the Company and the Placing Agent for the proposed placing of the Convertible Bonds
“CB Supplemental Agreement”	the supplemental agreement date 19 September 2007 and entered into between the Company and the Placing Agent extending the Long Stop Date and amending a term of the Instrument constituting the Convertible Bonds

“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares are listed on the Stock Exchange
“Conversion Shares”	new Shares falling to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the 8% convertible bonds due in three years from the date of issue to be issued by the Company pursuant to the CB Placing Agreement
“December Circular”	the circular of the Company dated 31 December 2007, among other things, in relation to (1) acquisition of manufacturing business; (2) acquisition of property holding companies; (3) placing of convertible bonds; and (4) Proposed increase in authorized share capital
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Shareholders to be convened and held to pass the necessary resolutions in relation to the Second CB Placing Agreement and the transactions contemplated thereunder
“Eternal Gain”	Eternal Gain Investments Limited, a company incorporated in BVI and wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Long Stop Date”	30 September 2007 or such other date as the parties to the CB Placing Agreement may otherwise agree, such date has been extended to 30 September 2008 pursuant to the Fourth CB Supplemental Agreement
“Maturity Date”	three years from the date of issue of the Convertible Bonds
“MOU Announcement”	the announcement of the Company dated 11 April 2008, among other things, in relation to the signing of the memorandum of understanding regarding the sole and exclusive right to develop a piece of land located in the Siem Reap province of Cambodia into the hotel resort and commercial complex
“Placing Agent”	Kingston Securities Limited (itself and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company)

“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties Acquisition”	the conditional acquisition of certain properties in Hong Kong pursuant to a sale and purchase agreement dated 28 June 2007 and entered into between Lead Power Investments Limited, a wholly owned subsidiary of the Company and Ms. Chu Yuet Wah and Ms. Ma Siu Fong as vendors, details of which were set out in the December Circular
“Second CB Placing Agreement”	the placing agreement dated 24 April 2008 and entered into between the Company and the Placing Agent for the proposed placing of the Convertible Bonds
“Second Convertible Bonds”	the 8% convertible bonds due in three years from the date of issue to be issued by the Company pursuant to the Second CB Placing Agreement
“Second Long Stop Date”	30 September 2008 or such other date as the parties to the Second CB Placing Agreement may otherwise agree
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term Sheet”	the binding term sheet dated 16 February 2007 entered into between the Company and Placing Agent in relation to the conditional issue of the Convertible Bonds
“Tree Acquisition”	the sale and purchase of the Tree Sale Shares and the Tree Assignment pursuant to the Tree Acquisition Agreement, details of which were set out in the December Circular
“Tree Acquisition Agreement”	the sale and purchase agreement dated 19 May 2007 entered into between Brightpower, Eternal Gain and the Company in relation to the sale and purchase of the Tree Sale Shares and the Tree Assignment
“Tree Assignment”	The assignment by Brightpower to Eternal Gain at the date of completion of the Tree Acquisition Agreement in respect of the indebtedness owed to Brightpower by FT Far East Limited, details of which were set out in the December Circular

“Tree Convertible Bonds”	a 4% unsecured convertible bonds due three years from the date of issue for an aggregate principal amount of HK\$40 million to be issued by the Company to satisfy part of the consideration for the Tree Acquisition
“Tree Long Stop Date”	30 September 2007, which has been extended to 30 September 2008 under the Fourth Tree Supplemental Agreement
“Tree Sale Shares”	the shares of FT Far East Limited and FT China Limited, details of which were set out in an announcement of the Company dated 12 October 2007
“Tree Supplemental Agreement”	the supplemental agreement dated 19 September 2007 and entered into between Brightpower, Eternal Gain and the Company extending the Tree Long Stop Date and amending the Tree Convertible Bonds by the addition of the right of mandatory conversion at the option of the Company, details of which were set out in the December Circular
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 23 May 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.