



KONG SUN HOLDINGS LIMITED
江山控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 295)

ANNOUNCEMENT IN RESPECT OF THE CONVERTIBLE BONDS

Reference is made to the Company's Circulars.

The Company made this announcement pursuant to the circular of the Company dated 31 December 2007 and Rule 13.09 of the Listing Rules.

Reference is made to the Company's circulars dated 31 December 2007 and 6 June 2008 (the "Circulars") in respect of, among other things, the placing of Convertible Bonds and the Second Convertible Bonds. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Circulars.

The Company made this announcement pursuant to the circular of the Company dated 31 December 2007 and Rule 13.09 of the Listing Rules.

The Directors report that 640,000,000 Shares were issued upon conversion of Convertible Bonds in principal amount of HK\$16,000,000 on 22 December 2008. The cumulative Conversion Shares issued during the period from 17 December 2008 (the date of resumption of trading in Shares) to the date of this announcement represent approximately 24.99% of the issued share capital of the Company as at 17 December 2008 and approximately 19.99% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares respectively. Details of the conversion are as follows:

Date of conversion notice	Principal amount of the Convertible Bonds (HK\$)	Conversion Price (HK\$)	Number of new Shares issued	Date of issue of the new Shares
17 December 2008	16,000,000	0.025	640,000,000	22 December 2008
	<u>16,000,000</u>		<u>640,000,000</u>	

Apart from the foregoing, there had not been any other Shares issued by the Company under any other transactions during the period from 17 December 2008 to the date of this announcement. Changes in issued share capital of the Company from 17 December 2008 to the date of this announcement are as follows:

	Number of issued Shares at par value of HK\$0.1 each	Issued share capital (HK\$)
As at 17 December 2008	2,561,166,921	256,116,692
New Shares issued in relation to the conversion of Convertible Bonds	<u>640,000,000</u>	<u>64,000,000</u>
As at the date of this announcement	<u><u>3,201,166,921</u></u>	<u><u>320,116,692</u></u>

As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Bonds was HK\$109,000,000. The exercise in full of conversion rights vested with the Company's outstanding Convertible Bonds would result in the issue and allotment of 4,360,000,000 new Shares in the Company.

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

Hong Kong, 23 December 2008

As at the date of the announcement, the board of directors of the Company comprises three executive directors, Mr. Tse On Kin, Mr. Chan Chi Yuen and Mr. Yu Pak Yan, Peter; and three independent non-executive directors, Ms. Lo Miu Sheung, Betty, Mr. Lau Man Tak and Dr. Wong Yun Kuen.