
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kong Sun Holdings Limited, you should at once hand this circular and the accompany form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**PROPOSED SHARE CONSOLIDATION,
CHANGE OF BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting (“**EGM**”) of the Company to be held at Unit C, 10/F, Wings Building, 110-116 Queen’s Road Central, Hong Kong on Wednesday, 9 December 2009 at 11:00 a.m. is set out on pages 9 to 10 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy for use at the EGM in accordance with the instructions printed thereon and return the same to the Company’s share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

23 November 2009

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	3
LETTER FROM THE BOARD	4
NOTICE OF EXTRAORDINARY GENERAL MEETING	9

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company after the Share Consolidation becoming effective
“Convertible Bonds”	the Convertible Bonds (Placing) and the Convertible Bonds (Tree)
“Convertible Bonds (Placing)”	the convertible bonds due 2011 in an aggregate outstanding principal amount of HK\$26,100,000 as at the date hereof issued by the Company, details and principal terms of which are set out in the circulars of the Company dated 31 December 2007 and 6 June 2008
“Convertible Bonds (Tree)”	the convertible bonds due 2011 in an aggregate outstanding principal amount of HK\$40,000,000 as at the date hereof issued by the Company, details and principal terms of which are set out in the circular of the Company dated 31 December 2007
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for approving, amongst other things, the Share Consolidation
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Latest Practicable Date”	19 November 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.20 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

EXPECTED TIMETABLE

The expected timetable for implementation of the Share Consolidation and the associated trading arrangements is set out below:

2009

Latest time for lodging proxy forms for the EGM. 11:00 a.m. on Monday, 7 December

EGM 11:00 a.m. on Wednesday, 9 December

Announcement of the results of the EGM. Wednesday, 9 December

Effective date of the Share Consolidation. Thursday, 10 December

Dealings in Consolidated Shares commence Thursday, 10 December

Original counter for trading in existing Shares
in board lots of 50,000 Shares temporarily closes 9:30 a.m. on Thursday, 10 December

Temporary counter for trading in Consolidated Shares
in board lots of 2,500 Consolidated Shares
(in the form of existing share certificates) opens. 9:30 a.m. on Thursday, 10 December

First day for free exchange of existing share certificates
for new share certificates Thursday, 10 December

Original counter for trading in Consolidated Shares
in board lots of 5,000 Consolidated Shares
(in the form of new share certificates)
reopens. 9:30 a.m. on Thursday, 24 December

Parallel trading in Consolidated Shares
(in the form of new share certificates
and existing share certificates) commences 9:30 a.m. on Thursday, 24 December

Designated agent to stand in the market to provide
matching service to facilitate the odd lots
trading commences 9:30 a.m. on Thursday, 24 December

2010

Temporary counter for trading in Consolidated Shares
in board lots of 2,500 Consolidated Shares
(in the form of existing share certificates)
closes. 4:00 p.m. on Friday, 15 January

Designated agent to stand in the market to provide
matching services ends 4:00 p.m. on Friday, 15 January

Parallel trading in Consolidated Shares
(in the form of new share certificates
and existing share certificates) ends 4:00 p.m. on Friday, 15 January

Last day for free exchange of existing share
certificates for new share certificates Wednesday, 20 January

LETTER FROM THE BOARD



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 295)

Executive Directors:

Mr. Tse On Kin (*Chairman*)

Mr. Chan Chi Yuen

Mr. Yu Pak Yan, Peter

Independent non-executive Directors:

Mr. Man Kwok Leung

Mr. Lau Man Tak

Dr. Wong Yun Kuen

*Registered office and principal
place of business:*

Unit C, 10/F

Wings Building

110-116 Queen's Road Central

Hong Kong

23 November 2009

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION,
CHANGE OF BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

On 12 November 2009, the Board announced the proposals for the Share Consolidation and change of board lot size.

The purpose of this circular is to provide you with further information regarding, among other things, the Share Consolidation, change of board lot size and to give you the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation.

SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.20 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company.

LETTER FROM THE BOARD

The Board also proposes to change the board lot size for trading in the Shares from 50,000 Shares to 5,000 Consolidated Shares upon the Share Consolidation becoming effective.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company amounted to HK\$400,000,000 divided into 40,000,000,000 Shares, of which 7,334,166,921 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted, issued or repurchased prior thereto, the authorised share capital of the Company will become HK\$400,000,000 divided into 2,000,000,000 Consolidated Shares, of which 366,708,346 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange and the Board believes that it may attract more investors and extend the shareholder base of the Company. The Board therefore believes that the Share Consolidation is in the interests of the Company and its Shareholders as a whole.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the proposed change of board lot size, the Company will appoint Kingston Securities to stand in the market to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Consolidated Shares for the period from 9:30 a.m. on Thursday, 24 December 2009 to 4:00 p.m. on Friday, 15 January 2010 (both dates inclusive).

LETTER FROM THE BOARD

Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Ms. Rosita Kiu of Kingston Securities by phone at (852) 2298-6215 or by fax at (852) 2295-0682 during this period. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, Consolidated Shares to be in issue upon the Share Consolidation taking effect.

No part of the share capital of the Company is listed or dealt in on any other stock exchanges and no such listing or permission to deal is being or is proposed to be sought.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Trading arrangements and exchange of share certificates

Subject to the Share Consolidation becoming effective, dealings in the Consolidated Shares are expected to commence on 10 December 2009. The trading arrangements proposed for dealings in Consolidated Shares are set out as follows:

- (i) with effect from 9:30 a.m. on Thursday, 10 December 2009, the original counter for trading in existing Shares in existing board lot of 50,000 existing Shares will close temporarily. A temporary counter for trading in Consolidated Shares represented by existing orange share certificates in board lot of 2,500 Consolidated Shares will be established. Every existing certificate for whatever number of existing Shares will be deemed to be a certificate, and will be effective as a document of title valid for settlement and delivery for trading transacted from 9:30 a.m. on Thursday, 10 December 2009 to the close of business on Friday, 15 January 2010 for Consolidated Shares, in the amount equivalent to one twentieth of that number of existing Shares. The existing orange share certificates for existing Shares can only be traded at this temporary counter;
- (ii) with effect from 9:30 a.m. on Thursday, 24 December 2009, the original counter will reopen for trading in Consolidated Shares in new board lot of 5,000 Consolidated Shares. Only new pink share certificates for Consolidated Shares can be traded at this counter;

LETTER FROM THE BOARD

- (iii) with effect from 9:30 a.m. on Thursday, 24 December 2009 to the close of business on Friday, 15 January 2010 (both dates inclusive), there will be parallel trading at the counters mentioned in (i) and (ii) above; and
- (iv) the temporary counter for trading in Consolidated Shares represented by the existing orange share certificates in the board lot of 2,500 Consolidated Shares will be removed after the close of trading on Friday, 15 January 2010. Thereafter, trading will only be in Consolidated Shares represented by new pink share certificates in new board lot of 5,000 Consolidated Shares and the existing orange share certificates for existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes.

Subject to the Share Consolidation becoming effective, which is expected to be at 9:30 a.m. on 10 December 2009, Shareholders may, on or after 10 December 2009 until 20 January 2010 (both days inclusive) submit existing orange share certificates for existing Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for new pink share certificates of the Consolidated Shares (on the basis of twenty (20) existing Shares for one (1) Consolidated Share). Thereafter, certificates of existing Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by Shareholders.

It is expected that new certificates for Consolidated Share will be available for collection within 10 business days after the submission of the existing share certificates for existing Shares to the Computershare Hong Kong Investor Services Limited for exchange. Unless otherwise instructed, new share certificates will be issued in board lot of 5,000 Consolidated Shares each. New share certificates for Consolidated Shares will be pink in colour to distinguish them from the existing share certificates for existing Shares which are orange in colour.

Adjustments in relation to the Convertible Bonds

As at the Latest Practicable Date, the Company has outstanding Convertible Bonds in the principal amount of HK\$66,100,000 which are convertible into 1,444,000,000 Shares. Corresponding adjustments will be made in accordance with the terms of the Convertible Bonds. The Company will make a further announcement about the adjustments.

Save as disclosed above, the Company has no other outstanding options, warrants or other securities convertible into or giving rights to subscribe for Shares.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages 9 to 10 of this circular and a form of proxy for use at the EGM is herein enclosed.

Whether or not the Shareholders are able to attend the EGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding of the EGM or adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the EGM or any adjourned meeting thereof should the Shareholders so wish.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors are of the opinion that the Share Consolidation is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolution set out in the EGM.

Yours faithfully,
For and on behalf of the Board
Kong Sun Holdings Limited
Tse On Kin
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



KONG SUN HOLDINGS LIMITED

江山控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 295)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Kong Sun Holdings Limited (the “**Company**”) will be held at Unit C, 10/F, Wings Building, 110-116 Queen’s Road Central, Hong Kong 11:00 a.m. on Wednesday, 9 December 2009 for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares (as defined below):

- (a) every twenty (20) issued and unissued ordinary shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) ordinary share of par value HK\$0.20 each (“**Consolidated Share**”) and such consolidation shall take effect on the next business day, being any day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours, immediately following the date on which this resolution is passed;
- (b) the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the memorandum of association and articles of association of the Company;
- (c) all fractional Consolidated Shares will be disregarded and not be issued to the holders of the existing ordinary shares of the Company but all fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company; and
- (d) the directors of the Company be and are generally authorised to do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as they consider necessary or expedient to implement and give effect to the arrangements set out in this resolution.”

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

Hong Kong, 23 November 2009

NOTICE OF EXTRAORDINARY GENERAL MEETING

*Registered Office and
principal place of business in Hong Kong:*

Unit C, 10/F
Wings Building
110-116 Queen's Road Central
Hong Kong

Notes:

1. Every member of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy (if a member who is holder of two or more shares) to attend and vote for him/her on his/her behalf of the meeting.
2. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or any adjourned meeting thereof.
4. As at the date of hereof, 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, Mr. Man Kwok Leung, Mr. Lau Man Tak and Dr. Wong Yun Kuen.