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HI SUN GROUP LIMITED

高陽集團有限公司*

(incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION SALE OF PROPERTY

On 14th June, 2002, Netley Enterprises Limited, a wholly-owned subsidiary of the Company, entered into the Provisional Memorandum A with the Independent Third Party to dispose of Property A at the consideration of HK\$3,790,400.00.

On 14th June, 2002, Fenella Holdings Limited, a wholly-owned subsidiary of the Company, entered into the Provisional Memorandum B with the Independent Third Party to dispose of Property B at the consideration of HK\$3,848,960.00.

The transactions contemplated under the Provisional Memorandum A and the Provisional Memorandum B in aggregate constitute a discloseable transaction of the Company under the Listing Rules.

A circular containing, inter alia, details of the Disposal will be sent to the shareholders of the Company in accordance with the requirements under the Listing Rules as soon as practicable.

Provisional Memorandum A dated 14th June, 2002

- Parties : Vendor : Netley Enterprises Limited, a wholly-owned subsidiary of the Company
Purchaser : the Independent Third Party
- Property A : Units 1 and 2 on 18th Floor of Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong
- Consideration : The consideration of HK\$3,790,400.00 was agreed after arm's length negotiations between the parties by reference to the market value of similar properties in the market.
- Terms : The parties will enter into a formal agreement for sale and purchase of Property A within 14 days from 14th June, 2002 which shall be completed on or before 7th August, 2002 ("Formal Agreement A"). Completion of the Formal Agreement A will be conditional on the simultaneous completion of the Formal Agreement B.

Provisional Memorandum B dated 14th June, 2002

- Parties : Vendor : Fenella Holdings Limited, a wholly-owned subsidiary of the Company
Purchaser : the Independent Third Party
- Property B : Units 3 and 4 on 18th Floor of Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong
- Consideration : The consideration of HK\$3,848,960.00 was agreed after arm's length negotiations between the parties by reference to the market value of similar properties in the market.
- Terms : The parties will enter into a formal agreement for sale and purchase of Property B within 14 days from 14th June, 2002 which shall be completed on or before 7th August, 2002 ("Formal Agreement B"). Completion of the Formal Agreement B will be conditional on the simultaneous completion of the Formal Agreement A.

Reasons for the Disposal

The Directors consider that Property A and Property B are in excess of the office space required for operation of the Group and the Disposal is beneficial to the Group as a whole.

Financial effect of the Disposal

The aggregate net book value of Property A and Property B is HK\$9,898,000 as at 31st December, 2001. It is estimated that, upon completion of the Disposal, the Group will record a loss of approximately HK\$2,258,640, subject to audit.

Use of proceeds

The sale proceeds from the Disposal will be used as general working capital of the Group and no specific investment has been identified by the Company at this stage for the utilisation of the sale proceeds.

Information on the Group

Following the completion of acquisition of Hi Sun Technology Group as detailed below, the principal business activities of the Group have been extended to include the provision of information technology solutions and consultancy services, in addition to its existing business in design, supply and installation of curtain wall systems and aluminium windows. Following the scheme of arrangement as detailed in the circular of the Company published on 9th August, 2001 and completed on 17th October, 2001, the Directors have performed a preliminary review on the business of the Group and have recognized the needs to diversity and expand the business of the Group. As part of the diversification strategy, Hi Sun Consulting Limited has been established by the Company in late 2001 to provide management and financial consulting services in the PRC market and the Company has on 28th February, 2002 completed its acquisition of Hi Sun Technology Group which is principally engaged in the provision of customized information system consultancy and information technology solutions for its customers in the banking, insurance and telecommunications industries in Hong Kong and the PRC.

General

As the consideration involved in the Disposal exceeds 15% of the Company's consolidated net tangible asset value as set out in its annual report for the year ended 31st December, 2001 and after taking into account the acquisition of the entire equity interest in Hi Sun Technology Holding Limited as announced by the Company on 24th January, 2002, the proposed transactions contemplated by the Provisional Memorandums constitute a discloseable transaction of the Company under the Listing Rules and the Disposal is required to be disclosed by way of this announcement.

A circular containing, inter alia, details of the Disposal will be sent to the shareholders of the Company in accordance with the requirements under the Listing Rules as soon as practicable.

Definitions

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Directors”	the directors of the Company;
“Disposal”	the disposal of Property A and Property B pursuant to the Provisional Memorandum A and the Provisional Memorandum B respectively;
“Group”	the Company and its subsidiaries;
“Hi Sun Technology Group”	Hi Sun Technology Holding Limited and its subsidiaries;
“Independent Third Party”	an independent third party not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules;
“Listing Rules”	The Rules governing the Listing of Securities on the Stock Exchange;
“PRC”	the People's Republic of China;
“Property A”	Units 1 and 2 on 18th Floor of Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong;
“Property B”	Units 3 and 4 on 18th Floor of Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong;
“Provisional Memorandum A”	the provisional memorandum for sale and purchase dated 14th June, 2002 between Netley Enterprises Limited and the Independent Third Party for the disposal of Property A;

“Provisional Memorandum B” the provisional memorandum for sale and purchase dated 14th June, 2002 between Fenella Holdings Limited and the Independent Third Party for the disposal of Property B;

“Provisional Memorandums” the Provisional Memorandum A and the Provisional Memorandum B;

“Stock Exchange” The Stock Exchange of Hong Kong Limited.

By Order of the Board
Hi Sun Group Limited
Li Wenjin
Director

Hong Kong, 14th June, 2002

* *For identification purposes only*

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