

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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.



HI SUN GROUP LIMITED

高陽集團有限公司*

(incorporated in Bermuda with limited liability)

PROPOSED RIGHTS ISSUE IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

Manager and Underwriter



Oriental Patron Asia Limited

The Company proposes to raise approximately HK\$68 million after expenses by issuing 111,018,010 Rights Shares, representing 50% of the existing issued share capital and approximately 33.33% of the then enlarged issued share capital of the Company after completion of the Rights Issue, by ways of rights at a price of HK\$0.63 per Rights Share.

The Company will provisionally allot one Rights Share for every two Shares held by Qualifying Shareholders. The Rights Shares are not available to Overseas Shareholders. The estimated net proceeds of the Rights Issue of approximately HK\$25 million and HK\$25 million will be applied for the expansion of the Group's IT business and reduction of the indebtedness of the Group respectively, and the balance of about HK\$18 million will be used as general working capital of the Group.

The Rights Shares other than the Rights Shares undertaken to be accepted by Rich Global Limited, will be fully underwritten by Oriental Patron. Oriental Patron has agreed to underwrite 47,927,707 Rights Shares, representing all the 111,018,010 Rights Shares which will be provisionally allotted under the Rights Issue less 63,090,303 Rights Shares which Rich Global Limited has irrevocably undertaken to take up.

The Rights Issue is subject to the conditions set out in the section headed "Conditions of the Rights Issue" below.

If Oriental Patron terminates the Underwriting Agreement (see the section headed "Termination of the Underwriting Agreement" below) or the conditions of the Rights Issue (see the section headed "Conditions of the Rights Issue" below) are not fulfilled, the Rights Issue will not proceed.

The Rights Issue may or may not become unconditional and may or may not proceed.

To qualify for the Rights Issue, all transfer of Shares must be lodged for registration with the Company's branch share registrar in Hong Kong, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong by 4:00 p.m. on Friday, 29th November, 2002.

The Company will send copies of prospectus for the Rights Issue, provisional allotment letter and form of application for excess Rights Shares to Qualifying Shareholders on 4th December, 2002.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	One Rights Share for every two Shares held by a Qualifying Shareholder on the Record Date
Amount of existing authorised share capital:	HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each
Amount of existing issued share capital:	HK\$2,220,360
Number of existing Shares in issue:	222,036,020 fully paid Shares
Number of Rights Shares:	111,018,010 Rights Shares
Subscription price:	HK\$0.63 per Rights Share, payable in full upon acceptance
Outstanding Share Options, warrants and other convertible securities granted:	Nil
Percentage of number of Rights Shares over number of existing Shares if all Rights Shares are allotted:	50%
Number of Shares in issue if all Rights Shares are allotted:	333,054,030 Shares

Qualifying Shareholders

The Company will send copies of prospectus, provisional allotment letter and form of application for excess Rights Shares to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company on the Record Date; and
2. have an address in Hong Kong which appears on the register of members of the Company on the Record Date.

In order to be registered as member of the Company on the Record Date, Shareholders must lodge all transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong no later than 4:00 p.m. on Friday, 29th November, 2002.

The branch share registrar of the Company in Hong Kong is:

Tengis Limited
4th Floor, Hutchison House
10 Harcourt Road
Central, Hong Kong

The register of members of the Company will be closed from Monday, 2nd December, 2002 to Wednesday, 4th December, 2002, both dates inclusive. No transfers of Shares will be registered during this period.

Subscription Price

HK\$0.63 per Rights Share, payable in full upon acceptance by the Qualifying Shareholders of the Rights Issue.

The Subscription Price represents:

1. a discount of about 3.08% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day;
2. a discount of about 3.08% to the average closing price of approximately HK\$0.65 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day; and

3. a discount of about 1.56% to the theoretical ex-rights price of HK\$0.64 per Share based on the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Date.

Each Rights Share has a nominal value of HK\$0.01.

The Subscription Price was arrived at after arm's length negotiations between the Company and Oriental Patron. The Directors consider the terms of the Rights Issue to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Rights Shares.

Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty in Hong Kong.

Expected timetable

Last day of dealings in Shares on a cum-rights basis Wednesday, 27th November, 2002

First day of dealings in Shares on an ex-rights basis Thursday, 28th November, 2002

Latest time for lodging transfer of Shares in order to
qualify for the Rights Issue 4:00 p.m. on Friday, 29th November, 2002

Register of members closes From Monday, 2nd December, 2002
to Wednesday, 4th December, 2002 (both days inclusive)

The Record Date Wednesday, 4th December, 2002

Despatch of Rights Issue prospectus, provisional
allotment letters and excess application forms Wednesday, 4th December, 2002

Register of members re-opens Thursday, 5th December, 2002

First day of dealings in nil-paid Rights Shares Friday, 6th December, 2002

Latest time for splitting nil-paid Rights Shares 4:00 p.m. on Wednesday, 11th December, 2002

Last day of dealings in nil-paid Rights Shares Monday, 16th December, 2002

Latest time for acceptance and payment of Rights Shares 4:00 p.m. on Thursday, 19th December, 2002

Latest time for the Rights Issue to become unconditional 5:00 p.m. on Monday, 23rd December, 2002

Announcement of results of acceptance of the Rights Issue Monday, 23rd December, 2002

Despatch of refund cheques in respect of unsuccessful or
partially unsuccessful excess applications on or before Tuesday, 24th December, 2002

Despatch of certificates for fully paid Rights Shares on or before Tuesday, 24th December, 2002

First day of dealings in fully paid Rights Shares expected to be on Monday, 30th December, 2002

Certificates of Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue, certificates for fully-paid Rights Shares are expected to be posted by Tuesday, 24th December, 2002 to those Shareholders who accepted and paid for the Rights Shares at their own risk.

Rights of Overseas Shareholders

Documents to be issued in connection with the Rights Issue will not be registered under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. No provisional allotment of Rights Shares will be made to Overseas Shareholders. The Company will send a Rights Issue prospectus to Overseas

Shareholders for their information only. The Company will not send provisional allotment letter nor form of application for excess Rights Shares to Overseas Shareholders.

If a premium (net of expenses) can be obtained, the Company will sell each Overseas Shareholder's provisional allotment of Rights Shares once dealings in the nil-paid Rights Shares on the Stock Exchange commence. The proceeds of each sale, less expenses, which amount to HK\$100 or more will be paid to the relevant Overseas Shareholder in Hong Kong dollars as soon as practicable. The Company will retain any individual amount of less than HK\$100 for its own benefit.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. The Company will sell any Rights Shares created by adding together fractions of Rights Shares, and will keep the proceeds.

Application for excess Rights Shares

Qualifying Shareholders may apply (using forms of application for excess Rights Shares) for any unsold entitlement for the Overseas Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares, and any Rights Shares provisionally allotted but not accepted. The Directors will allocate the excess Rights Shares at their sole discretion on a fair and equitable basis.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Dealing in the Rights Shares (in both nil-paid and fully-paid forms) in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date: 15th November, 2002

Underwriter: Oriental Patron, which is an independent third party not connected with the Company, 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)

Number of Rights Shares underwritten: a maximum of 47,927,707 Rights Shares

Commission: 2.5% of the total Subscription Price of the Right Shares underwritten

As at the Latest Practicable Date, Rich Global Limited is beneficially interested in 126,180,606 Shares, representing approximately 56.83% of the existing issued share capital of the Company. Rich Global Limited has given an irrevocable undertaking to the Company and Oriental Patron that it will accept in full the 63,090,303 Rights Shares provisionally allotted to it.

As at the date of this announcement, there are no outstanding Share Options.

Termination of the Underwriting Agreement

If certain things (including force majeure) happen up to 5:00 p.m. on the Last Day for Termination, then Oriental Patron may terminate the Underwriting Agreement, including if:

- (a) there develops, occurs or comes into force:
 - (i) **any new law or government regulation or other occurrence of any nature whatsoever which in the absolute opinion of Oriental Patron will materially and adversely affect the business of the Group or the Rights Issue; or**
 - (ii) **any change in local, national, international, financial, political, military, industrial or economic conditions which in the absolute opinion of Oriental Patron will materially and adversely affect the Rights Issue; or**

- (iii) **any material adverse change in market conditions which in the absolute opinion of Oriental Patron makes it inadvisable or inexpedient to proceed with the Rights Issue;**

or

- (b) there comes to the notice of Oriental Patron any event showing any of the representations and warranties given by the Company in the Underwriting Agreement to be untrue or inaccurate which Oriental Patron considers to be material.

If Oriental Patron terminates the Underwriting Agreement, the Rights Issue will not proceed.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon, amongst other conditions, the following conditions being fulfilled by 5:00 p.m. on the Last Day for Termination or such other date as Oriental Patron may agree:

1. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms;
2. (if required) the obtaining of the necessary permission of the Bermuda Monetary Authority for the issue of the Rights Shares;
3. compliance with the undertaking given by Rich Global Limited referred to above; and
4. the obligations of Oriental Patron under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms or otherwise.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND RIGHTS SHARES

Existing Shares will be dealt with in an ex-rights basis from Thursday, 28th November, 2002. Rights Shares will be dealt in their nil-paid form from Friday, 6th December, 2002 to Monday, 16th December, 2002 (both dates inclusive). If Oriental Patron terminates the Underwriting Agreement (see the section headed "Termination of the Underwriting Agreement" above) or the conditions of the Rights Issue (see the section headed "Conditions of the Rights Issue" above) are not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares or Rights Shares in their nil-paid form from now up to the date on which all conditions of the Underwriting Agreement are fulfilled are accordingly at the investors' own risk. The Rights Issue may or may not become unconditional and may or may not proceed. Any Shareholder or other person contemplating any dealings in Shares or Rights Shares in their nil-paid form is recommended to consult his own professional adviser.

REASON FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the provision of customised information system consultancy and integration services for its customers in the banking, insurance and telecommunication industries in Hong Kong and PRC (collectively, the "IT business"). The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to enlarge the capital base of the Company through the Rights Issue in order to support the continuing development of the Group's business. The Rights Issue will allow all Qualifying Shareholders to participate in the future growth of the Group.

The estimated expense of the Rights Issue is approximately HK\$2 million, which will be borne by the Company. The net proceeds of the Rights Issue after expenses are expected to be approximately HK\$68 million and are intended to be used as follows:

- as to approximately HK\$15 million for the expansion of the Group's IT business;
- as to approximately HK\$10 million for the expansion of the Group's electronic payment products and services in the South East Asia and Greater China Region;
- as to approximately HK\$25 million for reducing the indebtedness of the Group; and
- the remaining balance of approximately HK\$18 million for the use as the general working capital of the Group.

TERMS USED IN THIS ANNOUNCEMENT

“Company”	Hi Sun Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Greater China Region”	PRC, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Last Day For Termination”	the business day immediately before the date of despatch of the certificates for the Rights Shares and is expected to be 23rd December, 2002
“Last Trading Day”	15th November, 2002, being the last trading day of the Shares on the Stock Exchange pending the release of this announcement
“Latest Practicable Date”	15th November, 2002, being the latest practicable date of ascertaining certain information in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Oriental Patron”	Oriental Patron Asia Limited, an investment adviser and a dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of the business on the Record Date and whose addresses as shown on such register are outside Hong Kong
“PRC”	the People’s Republic of China
“Qualifying Shareholders”	Shareholders other than the Overseas Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	4th December, 2002, the record date by reference to which entitlements to the Rights Shares will be determined
“Rights Issue”	the proposed issue of 111,018,010 Rights Shares at the Subscription Price
“Rights Share(s)”	new Shares to be allotted and issued in respect of the Rights Issue
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Options”	options to subscribe for Shares granted under the share option scheme adopted by the Company in November 2001
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.63 per Rights Share
“Underwriting Agreement”	the underwriting agreement between, among others, the Company and Oriental Patron dated 15th November, 2002 in relation to the Rights Issue

“HK\$” Hong Kong dollars

“%” per cent.

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

Hong Kong, 15th November, 2002

* *For identification purposes only*

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