



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 0818)

CONVERSION OF CONVERTIBLE PREFERENCE SHARES IN A SUBSIDIARY OF THE COMPANY

The Company has received a notice from COMTEL on 12 January 2007 that it would like to exercise the conversion rights attached to the 3,418,804 Convertible Preference Shares in Turbo Speed, a subsidiary of the Company into Shares.

As a result of the above conversion, the Company has issued and allotted 51,866,667 new Shares to COMTEL represents approximately 2.74% of the existing entire issued share capital of the Company and approximately 2.66% of the total issued share capital of the Company as enlarged by the above conversion on 18 January 2007.

On 12 January 2007, the Company received a notice from Comtel Development Limited (“COMTEL”) for the conversion of all the 3,418,804 convertible preference shares (“Convertible Preference Shares”) in Turbo Speed Technology Limited (“Turbo Speed”) held by it into the ordinary shares (“Shares”) of the Company pursuant to the terms of the subscription agreement (“Subscription Agreement”) dated 9 November 2004 entered into among Turbo Speed, COMTEL, Acme Partner International Limited and the Company, details of which were announced by the Company on 11 November 2004.

As a result of the above conversion, 51,866,667 new Shares were issued and allotted to COMTEL at a conversion price of HK\$0.3 per Share on 18 January 2007 representing approximately 2.74% of the existing entire issued share capital of the Company and approximately 2.66% of the total issued share capital of the Company as enlarged by the above conversion.

This announcement is made by the order of the board of directors of the Company (the “Board”), of which the directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

By order of the Board
Li Wenjin
Executive Director

Hong Kong, 18 January, 2007

As at the date of this announcement, the Board consists of six executive directors, namely Mr. Cheung Yuk Fung, Mr. Kui Man Chun, Mr. Xu Wensheng, Mr. Li Wenjin, Mr. Chan Yiu Kwong and Mr. Xu Chang Jun and three independent non-executive directors, namely Mr. Tam Chun Fai, Mr. Xu Sitao and Mr. Leung Wai Man, Roger.

* For identification purpose only

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*