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HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技（中國）有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 818)

DISCLOSEABLE TRANSACTION ACQUISITION OF MEGA HUNT

The Board is pleased to announce that on 26 January 2010, New Concept, a wholly-owned subsidiary of the Company, Rich Giant and the Guarantor entered into the Sale and Purchase Agreement pursuant to which Rich Giant has agreed to sell, and New Concept has agreed to purchase, the Sale Share, representing the entire issued share capital of Mega Hunt.

The transaction contemplated under the Sale and Purchase Agreement (comprising the Acquisition and the deemed disposal by the Company of 20% of the issued share capital of New Concept by way of the issue of the NC Consideration Shares at Completion) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE SP AGREEMENT

The Board is pleased to announce that on 26 January 2010, New Concept, a wholly-owned subsidiary of the Company, Rich Giant and the Guarantor entered into the Sale and Purchase Agreement. The principal terms of the Sale and Purchase Agreement are set out below:

Summary of the major terms of the Sale and Purchase Agreement

Date:

26 January 2010

Parties:

- New Concept, a wholly-owned subsidiary of the Company and an investment holding company in the Group;
- Rich Giant, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Guarantor; and
- the Guarantor. The Guarantor joined as a party to the Sale and Purchase Agreement to guarantee the performance of the obligations of Rich Giant pursuant to the Sale and Purchase Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (i) the principal business of Rich Giant is investment holding and (ii) each of Rich Giant and its ultimate beneficial owner, being the Guarantor, is an Independent Third Party.

Assets to be acquired:

Rich Giant agreed to sell, and New Concept agreed to purchase, the Sale Share. The Sale Share represents the entire issued share capital of Mega Hunt, further details of which are set out in the paragraph headed "Information of Mega Hunt" below.

The Sale and Purchase Agreement does not contain any restrictions which apply to the subsequent sale of the Sale Share.

Consideration:

The consideration for the sale and purchase of the Sale Share is HK\$86 million, which shall be satisfied by the allotment and issue of the NC Consideration Shares, such consideration was agreed after arm's length negotiations between New Concept and Rich Giant with reference to the unaudited consolidated net asset value of New Concept Group as at 30 June 2009 of approximately HK\$334 million, unaudited net liability of Mega Hunt as at 31 December 2009 of approximately HK\$3 million, and additional capital of HK\$100 million to be injected by Rich Giant to Mega Hunt prior to Completion and the business prospect of New Concept Group and Mega Hunt.

The NC Consideration Shares, being 25 new New Concept Shares to be allotted and issued to Rich Giant at Completion, will represent 20% of the issued share capital of New Concept as enlarged by the allotment and issue of such NC Consideration Shares.

Conditions precedent:

In connection with the Acquisition, Rich Giant will procure that New Concept Group can secure the employment of the Technical Experts for the research and development of PLC and will also procure certain intellectual property rights in respect of PLC to be transferred to New Concept Group at nil consideration.

Completion is conditional upon:

- (1) the transfer, which shall be at nil consideration, irrevocable and unconditional, of the intellectual property rights in relation to PLC to Mega Hunt or New Concept Group having been completed;
- (2) the Employment Contracts and the Proprietary Information and Invention Deeds having been entered into by New Concept Group (as employer) and each of the Technical Experts (as employee); and
- (3) Rich Giant having made the capital contribution of not less than HK\$100,000,000 to Mega Hunt.

The Employment Contracts and the Proprietary Information and Invention Deeds shall contain provisions covering, among other matters, the following matters:

- (i) the Technical Experts shall not disclose to any third party any information in relation to the business, finance, transactions and trading secrets of New Concept Group;
- (ii) all intellectual property rights arising during the employment shall belong to New Concept Group;

- (iii) during the employment and within 12 months after the termination thereof, save with the consent of New Concept Group, the Technical Experts shall not engage or invest in any business which is in competition with that of New Concept Group; and
- (iv) the term of employment shall be not less than three years and the Technical Experts are not entitled to terminate the employment during the fixed term.

New Concept may waive any of the above conditions precedent. If the above conditions precedent shall not have been fulfilled (or waived by New Concept as the case may be) in full within 30 days after the signing of the Sale and Purchase Agreement or such later date as New Concept and Rich Giant may agree in writing, the Sale and Purchase Agreement shall cease and terminate save for any antecedent breach of the Sale and Purchase Agreement.

Completion:

Completion shall take place on the third business day after the date on which the above conditions are fulfilled (or waived as the case may be) or such later date as New Concept and Rich Giant may agree in writing.

Other major term:

Each of Rich Giant and the Guarantor has undertaken to New Concept that within three years from the date of Completion, each of them will not, and will procure its/her associates not, to engage or invest in any business which is in competition with those of New Concept Group.

INFORMATION OF MEGA HUNT

Mega Hunt is a company incorporated in the British Virgin Islands with limited liability on 9 February 2009 and is an investment holding company. Mega Hunt is formed to be engaged in the research and development of PLC. PLC is a kind of communication system specifically designed for electricity system, whereby analog and digital data are transmitted by carrier wave through the power lines in the existing electricity system. It has the advantage of wide coverage of communication by utilizing the power lines in the existing electricity system.

Based on the unaudited financial statements of Mega Hunt, which are prepared in accordance with the accounting principles generally accepted in Hong Kong, Mega Hunt recorded net loss of approximately HK\$3 million for the period from its incorporation to 31 December 2009. The unaudited net liability of Mega Hunt as at 31 December 2009 is approximately HK\$3 million.

INFORMATION OF NEW CONCEPT GROUP

New Concept Group is principally engaged in the design, manufacture and sale of electronic power meters and provision of management and automation solutions for the electric power industry. New Concept Group's electronic power meters are primarily used to measure the transfer of electricity between power stations, power companies and end users of electricity such as residential and industrial users, and can be custom-made according to customers' requirements and specifications.

Set out below is a summary of certain audited consolidated financial information of New Concept Group for the period from 12 April 2006 (date of incorporation of New Concept) to 31 December 2008 and the unaudited consolidated financial information of New Concept Group for the six months ended 30 June 2009:

	For the period from 12 April 2006 (date of incorporation of New Concept) to 31 December 2007 (Audited) HK\$'000	For the year ended 31 December 2008 (Audited) HK\$'000	Six month ended 30 June 2009 (Unaudited) HK\$'000
Turnover	120,472	350,167	91,515
Gross profits	48,178	145,400	36,132
Net profit/(loss) (before taxation and extraordinary items)	4,491	42,169	(9,476)
Net profit/(loss) (after taxation and extraordinary items)	1,120	43,726	(8,766)

The unaudited consolidated net asset of New Concept Group as at 30 June 2009 is approximately HK\$334 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in the sales of electronic payment products and services, sales of electronic power meters and solutions, provision of telecommunication solutions and value-added services, provision of financial solutions, services and related products and provision of payment solutions and services.

As disclosed in the paragraph headed "Information of Mega Hunt" above, Mega Hunt is formed to be engaged in the research and development of PLC.

With the Acquisition, New Concept Group is able to leverage on the technology developed by the Technical Experts and have synergy effects with the electronic power meters and solutions business which New Concept Group is currently engaged in. Taking into account the benefits of the Acquisition as described above, the Directors consider that the Acquisition as contemplated by the Sale and Purchase Agreement is in the interest of the Company, the terms of which are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION AND THE DEEMED DISPOSAL

Upon Completion:

- (i) Mega Hunt will become an indirect wholly-owned subsidiary of the Company;
- (ii) New Concept will continue to be a subsidiary of the Company and will be owned as to 80% by the Company and as to 20% by Rich Giant.

There will not be any sale proceeds from the deemed disposal by the Company of 20% of issued share capital of New Concept by way of the issue of the NC Consideration Shares at Completion.

Should all the NC Consideration Shares be allotted and issued to Rich Giant at Completion, a deemed disposal will be recorded, which will be calculated with reference to the Company's interest in New Concept Group based on the then audited net asset value of New Concept Group as compared to the consideration for the Acquisition. In addition, the deemed disposal by the Company of 20% of issued share capital of New Concept by way of the issue of the NC Consideration Shares at Completion will be accounted for as equity transactions and will not lead to any gain or loss to the Group.

Nevertheless, the Shareholders should note that the exact financial effect to the Group as a result of the deemed disposal as a result of the allotment and issue of the NC Consideration Shares is subject to the Company's auditors' review and approval.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Sale and Purchase Agreement (comprising the Acquisition and the deemed disposal by the Company of 20% of issued share capital of New Concept by way of the issue of the NC Consideration Shares at Completion) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Employment Contract(s)”	the employment contract(s) (in a form acceptable to New Concept) to be entered into between New Concept Group and each of the Technical Experts prior to Completion
“Group”	the Company and its subsidiaries (including the New Concept Group)

“Guarantor”	Ms. Wang Lina, an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mega Hunt”	Mega Hunt Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 9 February 2009
“NC Consideration Shares”	25 new New Concept Shares to be allotted and issued to Rich Giant upon Completion
“New Concept”	New Concept Services Limited, a company incorporated in the British Virgin Islands with limited liability on 12 April 2006 and a wholly-owned subsidiary of the Company
“New Concept Group”	New Concept and its subsidiaries
“New Concept Share(s)”	the share(s) of US\$1 each in the share capital of New Concept
“PLC”	low voltage power line carrier wave communication technology (低壓電力線載波通信技術)
“PRC”	the People’s Republic of China
“Proprietary Information and Invention Deed(s)”	the proprietary information and invention deed(s) (in a form acceptable to New Concept) to be entered into between New Concept Group or Mega Hunt and each of the Technical Experts prior to Completion
“Rich Giant”	Rich Giant Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 9 February 2009 and wholly-owned by the Guarantor
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 January 2010 entered into between New Concept, Rich Giant and the Guarantor in relation to the Acquisition
“Sale Share”	the one share of US\$1 in the issued share capital of Mega Hunt, representing the entire issued share capital of Mega Hunt
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the issued share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technical Experts”	three persons (each of whom being an Independent Third Party) who are important and material to the future business development of New Concept Group
“%”	per cent.

By Order of the Board
Li Wenjin
Executive Director

Hong Kong, 27 January 2010

As at the date of this announcement, the Board consists of five executive Directors, namely Mr. Cheung Yuk Fung, Mr. Kui Man Chun, Mr. Xu Wensheng, Mr. Li Wenjin, and Mr. Xu Chang Jun, two non-executive Directors, namely Mr. Yang Lei, Raymond and Mr. Chang Kai-Tzung, Richard and three independent non-executive Directors, namely Mr. Tam Chun Fai, Mr. Xu Sitao and Mr. Leung Wai Man, Roger.

* *For identification purpose only*