

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim 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 TECHNOLOGY (CHINA) LIMITED

高陽科技（中國）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

DISCLOSEABLE AND CONNECTED TRANSACTION

DISPOSAL OF SHARES OF A SUBSIDIARY

AND

ADOPTION OF SHARE OPTION SCHEME OF A SUBSIDIARY

The Sale and Purchase Agreement

On 30 March 2009, PAX (an indirect non wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Company, the Purchaser and the Transferor, pursuant to which the Purchaser has conditionally agreed to purchase the Sale Shares, being 8,750,000 PAX Ordinary Shares, and the Transferor (an indirect wholly-owned subsidiary of the Company) has conditionally agreed to sell the Sale Shares to the Purchaser at the Consideration of US\$20 million (equivalent to approximately HK\$155.4 million). Immediately upon registration of the Sale Shares in the name of the Purchaser, the Sale Shares shall be re-designated as the PAX Series B Preference Shares on a one-to-one basis and those PAX Series B Preference Shares shall represent 20% of the total issued share capital of PAX.

To facilitate the creation of the PAX Series B Preference Shares, the existing preference shares of PAX, being 8,750,000 preference shares held by Digital Investment, shall be re-designated as the PAX Series A Preference Shares on a one-to-one basis and those PAX Series A Preference Shares shall represent 20% of the total issued share capital of PAX. The commercial substance of the rights attaching to the existing preference shares (which are to become PAX Series A Preference Shares) and the holder(s) of those shares shall remain unchanged.

PAX also intends to adopt an Employee Incentive Plan for the issuance of such number of PAX Ordinary Shares representing no more than 5% of the total number of PAX Shares in issue immediately after Completion.

Implication under the Listing Rules

Upon Completion, the Company's indirect equity interest in the total issued share capital of PAX will be reduced by 20% (without taking into account the PAX Ordinary Shares which may be issued under the Employee Incentive Plan) as a result of the Disposal. The Disposal represents a possible disposal of the Company's interest in PAX. As the applicable percentage ratios (as defined under the Listing Rules) for the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser is wholly-owned by Hao Capital. Digital Investment, a substantial shareholder of PAX is a subsidiary of Hao Capital China Fund L.P.. As the general partners and management companies of Hao Capital and Hao Capital China Fund L.P. are under common control, the Disposal and the transactions contemplated under the Sale and Purchase Agreement (including the execution of the Shareholders' Agreement at Completion) also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules. In this regard, the Purchaser, together with its associates (in the event that they have shareholdings in the Company as at the date of the SGM), are required to abstain from voting in respect of the relevant resolution(s) regarding the Disposal at the SGM. As at the date of this announcement, Hao Capital China Fund L.P., through its wholly-owned subsidiary, holds approximately 2.88% of the issued share capital of the Company.

In addition, the adoption of the Employee Incentive Plan is subject to the Shareholders' approval at the SGM under Chapter 17 of the Listing Rules and no shareholder is required to abstain from voting on the relevant resolution(s) approving the Employee Incentive Plan under the Listing Rules.

General

The Company has established an Independent Board Committee (which comprises all the three independent non-executive Directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Xu Sitao) to (i) advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Disposal is in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Disposal, after taking into account the recommendation of the Independent Financial Adviser.

Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

A circular of the Company containing, among other things, (i) further details of the Disposal and the Employee Incentive Plan; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Disposal; (iii) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Disposal; and (iv) a notice of SGM will be despatched to the Shareholders as soon as practicable.

INTRODUCTION

On 30 March 2009, PAX (an indirect non wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Company, the Purchaser and the Transferor, pursuant to which the Purchaser has conditionally agreed to purchase the Sale Shares, being 8,750,000 PAX Ordinary Shares, and the Transferor (an indirect wholly-owned subsidiary of the Company) has conditionally agreed to sell the Sale Shares to the Purchaser at the Consideration of US\$20 million (equivalent to approximately HK\$155.4 million). Immediately upon registration of the Sale Shares in the name of the Purchaser, the Sale Shares shall be re-designated as the PAX Series B Preference Shares on a one-to-one basis and those PAX Series B Preference Shares shall represent 20% of the total issued share capital of PAX.

To facilitate the creation of the PAX Series B Preference Shares, the existing preference shares of PAX, being 8,750,000 preference shares held by Digital Investment, shall be re-designated as the PAX Series A Preference Shares on a one-to-one basis and those PAX Series A Preference Shares shall represent 20% of the total issued share capital of PAX. The commercial substance of the rights attaching to the existing preference shares (which are to become PAX Series A Preference Shares) and the holder(s) of those shares shall remain unchanged.

PAX also intends to adopt an Employee Incentive Plan for the issuance of such number of PAX Ordinary Shares representing no more than 5% of the total number of PAX Shares in issue immediately after Completion.

THE SALE AND PURCHASE AGREEMENT

Set out below are certain particulars and principal terms of the Sale and Purchase Agreement:

Date:	30 March 2009
Transferor:	Hi Sun Technology Holding Limited, an indirect wholly-owned subsidiary of the Company
Purchaser:	Dream River Limited, an investment company incorporated in the British Virgin Islands and is wholly-owned by Hao Capital
Guarantor:	The Company. Pursuant to the Sale and Purchase Agreement, the Company guarantees by way of continuing obligation to the Purchaser the due and punctual payment of all amounts payable by the Company and/or the Transferor and the performance by the Company and/or the Transferor of their obligations under the Sale and Purchase Agreement
Subject matter of the Sale and Purchase Agreement:	The disposal of 8,750,000 PAX Ordinary Shares, which on transfer to and registered in the name of the Purchaser, shall be re-designated on a one-to-one basis as the PAX Series B Preference Shares (see also “Rights of PAX Preference Shareholder(s)” below)

Consideration: US\$20 million (equivalent to approximately HK\$155.4 million), to be settled by the Purchaser in cash on registration of the Purchaser as holder of 8,750,000 PAX Series B Preference Shares, which shall take place after completion of the stamping procedures for the transfer of the Sale Shares at the Hong Kong Stamp Duty Office

Conditions precedent: Completion of the Sale and Purchase Agreement is conditional upon certain conditions being fulfilled or waived in writing, including but not limited to:

1. the adoption of the new memorandum and articles of association of PAX to set out the rights of the PAX Preference Shares;
2. the passing of all resolutions of the Shareholders with respect to the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder in a manner as required under the Listing Rules;
3. the compliance with all legal and regulatory requirements relating to the Sale and Purchase Agreement and the transactions contemplated thereunder;
4. completion of a business, financial, accounting and legal due diligence review on the PAX Group by the Purchaser to its reasonable satisfaction acting reasonably; and
5. approval of the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder by the investment committee of Hao Capital and the advisory committee of Hao Capital China Fund L.P..

The Purchaser shall have the right to waive in writing the conditions as mentioned above (save as and except for condition (2)). If the conditions precedent as set out in the Sale and Purchase Agreement have not been fulfilled (or, where applicable, waived by the Purchaser in writing) on or prior to a date which is 90 days from the date of the Sale and Purchase Agreement (or such other dates as agreed by the parties to the Sale and Purchase Agreement in writing), the Sale and Purchase Agreement shall terminate.

Completion: Completion (i.e. the transfer of the beneficial ownership of the Sale Shares) shall take place on the third business day following the day on which the conditions to the Sale and Purchase Agreement set out above have been satisfied or waived or such other date as the parties may agree in writing.

Shareholders' Agreement: At Completion, the Purchaser shall enter into the Shareholders' Agreement with PAX, the Company and Digital Investment, amending and restating certain terms and conditions of the existing shareholders' agreement of PAX dated 23 May 2007.

The Shareholders' Agreement provides that the board of directors of PAX shall consist of five directors. So long as the Company holds a majority of the voting power of the issued and outstanding share capital of PAX, the Company shall have the right to appoint three directors of PAX and if the Company holds less than a majority of the voting rights attaching to the PAX Shares, it shall have the right to appoint such number of directors, rounded up to the nearest integral number, represents such percentage of the total number of directors of PAX which is proportionate to the percentage of total voting rights then held by the Company provided that such number shall not be greater than two.

Certain other rights of the PAX Preference Shareholder(s) under the Shareholders' Agreement are set out below under the heading "Rights of PAX Preference Shareholder(s) – Rights under Shareholders' Agreement".

RIGHTS OF PAX PREFERENCE SHAREHOLDER(S)

Immediately after Completion and registration of the shares transfer from the Transferor to the Purchaser, PAX will have 26,250,000 PAX Ordinary Shares, 8,750,000 PAX Series A Preference Shares and 8,750,000 PAX Series B Preference Shares in issue. The rights attaching to the PAX Preference Shares are summarised below.

Rights attaching to PAX Preference Shares

Right to capital

On return of capital on a winding-up or otherwise of PAX, the PAX Preference Shares will rank in priority to any other class of shares in the capital of PAX to the return of an amount equal to the aggregate initial subscription price of the relevant PAX Preference Shares and any dividends accumulated on such PAX Preference Shares then in arrears (if any). After the above aggregate sum is satisfied, any remaining funds and assets of PAX legally available for distribution to its shareholders would be distributed pro-rata among the PAX Preference Shareholders (on an as-converted basis) together with the holders of the PAX Ordinary Shares.

Right to income

The PAX Preference Shareholder(s) is/are entitled, to receive, at the same time as a dividend or distribution is paid on the PAX Ordinary Shares, a dividend or other distribution at the same rate for each PAX Ordinary Share which the PAX Preference Shares are to be converted at the same time.

Voting rights

The PAX Preference Shareholder(s) has/have full voting rights by reference to each PAX Ordinary Share converted at general meetings of PAX and shall also be entitled to vote as a separate class at general meetings of PAX in relation to matters which affect the rights attaching to the PAX Preference Shares.

Conversion rights

The PAX Preferences Shareholder(s) shall have the right to convert the PAX Preferences Shares into the PAX Ordinary Shares at any time from the date of Completion on the basis of one PAX Preference Share to one PAX Ordinary Share (the “**Conversion Ratio**”). The Conversion Ratio will be adjusted:

- (i) on consolidation, reclassification or sub-division of PAX Ordinary Shares in customary manner; and
- (ii) if and when PAX issues any shares or equity securities convertible into shares at any time after Completion (save for the issue of any shares or equity securities convertible into shares by PAX or any of its subsidiaries to its directors, employees, consultants and advisors pursuant to any of the share option schemes of PAX or its subsidiaries) at a price per share (the “**Lower Price**”) below the subscription price per PAX Preference Share, being US\$1.143 for each PAX Series A Preference Share and US\$2.286 for each PAX Series B Preference Share, such that the number of PAX Ordinary Shares which fall to be issued on conversion will be increased by the same proportion the subscription price bears to the Lower Price.

Rights under Shareholders’ Agreement

Board representation

Pursuant to the Shareholders’ Agreement, subject to the holder(s) of the PAX Series A Preference Shares holding an aggregate of not less than 5% of the PAX Series A Preference Shares in issue immediately upon Completion and holder(s) of the PAX Series B Preference Shares holding an aggregate of not less than 5% of the PAX Series B Preference Shares in issue immediately upon Completion, holder(s) of the PAX Series A Preference Shares shall have the right to appoint one director of PAX and holder(s) of PAX Series B Preference Shares shall have the right to appoint one director of PAX.

Non-compete

Under the Shareholders’ Agreement, each of the Company and Digital Investment will undertake to PAX and the other shareholders of PAX that it and its associates shall not directly or indirectly engage in businesses which would compete with the businesses of the PAX Group at any time whilst it or any of its associates is beneficially interested in any PAX Shares and for a period of one year from the date on which it or such associates ceases to be beneficially interested in the PAX Shares.

Registration rights

In the United States, federal and state securities laws place certain limitations on the sale of shares held by an investor who have not been registered, unless the investor complies with certain exceptions. If the PAX Ordinary Shares are being listed in the United States or any other jurisdictions where registration is applicable (not Hong Kong), then at any time after such listing, the PAX Preference Shareholder(s) shall have registration rights which entitle he/she/them to force PAX to register the PAX Preference Shares held by the he/she/them with the U.S. Securities and Exchange Commission or a similar commission in other countries.

Co-sale rights

If the Company or any of its associates propose to transfer any interest in their PAX Ordinary Shares to any third party, then the PAX Preference Shareholder(s) shall have the right to participate in the sale on the same terms and conditions as such selling shareholder subject to the terms of the Shareholders' Agreement.

Right of first offer

If PAX issues any class of shares in the capital of PAX, rights, options or warrants to purchase any class of PAX Shares, or securities of any type whatsoever that are or may become convertible or exchangeable into any class of PAX Shares (the "New Securities"), the PAX Preference Shareholder(s) shall have the rights to subscribe for such number of New Securities being equaled to a fraction, the numerator of which is the number of PAX Ordinary Shares then held by such PAX Preference Shareholder(s) (on an as-converted basis), and the denominator of which is the total number of PAX Ordinary Shares then outstanding (on an as-converted basis) immediately prior to the issuance of the New Securities.

Right of first refusal

Each shareholder of PAX has the right of first refusal exercisable in connection with any proposed transfer of the PAX Shares by any or all of them. The Company will comply with the Listing Rules in respect of any further issues, disposals or acquisitions of the PAX Shares.

INFORMATION ON PARTIES TO THE SALE AND PURCHASE AGREEMENT

Information on the Group

The Group is principally engaged in the sales of information technology products, provision of business process operation services, provision of information system consultancy and integration services, provision of information technology operation value-added services and sales of electronic power meters and solutions.

Information on the Transferor

Hi Sun Technology Holding Limited is an indirect wholly-owned subsidiary of the Company incorporated in Bermuda. The principal activity of Hi Sun Technology Holding Limited is investment holding.

Information on PAX

PAX is an indirect non wholly-owned subsidiary of the Company and is a company incorporated in Hong Kong with limited liability on 8 March 2000. The principal activities of the PAX Group are investment holding and the development and sale of electronic fund transfer point-of-sale terminals payment products and services.

Set out below is a summary of the financial information of the PAX Group for the six months ended 30 June 2008 and the two years ended 31 December 2007, which are prepared in accordance with the accounting principles generally accepted in Hong Kong:

Income Statement	For the six months ended	For the year ended	
	30 June 2008	31 December 2007	31 December 2006
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	265,021	323,143	197,843
Profit before taxation	83,663	69,012	30,109
Profit after taxation	76,231	64,216	28,015

Balance Sheet	As at	As at	As at
	30 June 2008	31 December 2007	31 December 2006
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net asset value	306,390	223,199	72,995

Information on the Purchaser

The Purchaser, Dream River Limited, is an investment company incorporated in the British Virgin Islands and is wholly-owned by Hao Capital.

REASONS FOR THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The Consideration of US\$20 million was determined after arm's length negotiations among the parties to the Sale and Purchase Agreement, with reference to various factors including the current financial position, the historical financial performance and business prospect of the PAX Group. The Consideration represents a premium of approximately 153.60% over the 20% attributable interest of the PAX Series B Preference Shares (on an as-converted basis) in the unaudited net assets of the PAX Group as at 30 June 2008.

Upon Completion (without taking into account the PAX Ordinary Shares which may be issued under the Employee Incentive Plan), the Company's indirect equity interest in PAX will decrease from 80% to 60%. As such, PAX will remain as an indirect non wholly-owned subsidiary of the Company at Completion and the Company will be able to continue to control the board of directors of PAX so long as the Company holds a majority of the voting power of the issued and outstanding share capital of PAX. The Directors consider the terms of the Sale and Purchase Agreement, which were reached based on arm's length negotiations among the parties thereto, to be on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Disposal will provide additional working capital to the Group as the proceeds from the Disposal will be used for the Group's general working capital. In addition, based on HKAS 27 (Revised) "Consolidated Separate Financial Statements" issued in December 2008 for annual periods beginning on or after 1 July 2009, the Disposal which does not result in a loss of control, would be accounted for as equity transaction and would not lead to any gain or loss to the Group. Nevertheless, Shareholders should note that the exact financial effect of the Disposal to the Group is subject to the Company's auditors' review and approval.

SHAREHOLDING TABLE

For illustrative purpose only, set out below is a summary of the shareholdings in PAX as a result of the Disposal (without taking into account the PAX Ordinary Shares which may be issued under the Employee Incentive Plan):

Name of shareholder	Prior to the Disposal		After the Disposal	
	Number of issued shares	%	Number of issued shares	%
Holder of the PAX Ordinary Shares:				
The Transferor	35,000,000	80	26,250,000 <i>(Note)</i>	60
Holder of the PAX Series A Preference Shares:				
Digital Investment	8,750,000 <i>(Note)</i>	20	8,750,000 <i>(Note)</i>	20
Holder of the PAX Series B Preference Shares:				
The Purchaser	—	—	8,750,000 <i>(Note)</i>	20
Total	<u>43,750,000</u>	<u>100</u>	<u>43,750,000</u>	<u>100</u>

Note: Pursuant to the Sale and Purchase Agreement, the 8,750,000 PAX Ordinary Shares, which on transfer to and registered in the name of the Purchaser, shall be re-designated on a one-to-one basis into the PAX Series B Preference Shares. Besides that, the existing preference shares of PAX, being 8,750,000 preference shares held by Digital Investment, shall also be re-designated as the PAX Series A Preference Shares on a one-to-one basis.

ADOPTION OF EMPLOYEE INCENTIVE PLAN BY PAX

PAX will adopt the Employee Incentive Plan for the issuance of such number of PAX Ordinary Shares representing no more than 5% of the total number of PAX Shares in issue immediately after Completion. Based on the issued share capital of PAX upon Completion, the maximum number of PAX Ordinary Shares to be issued under the Employee Incentive Plan is 2,187,500, representing approximately 4.76% of the issued share capital of PAX as enlarged by the option shares. Moreover, 2,187,500 PAX Ordinary Shares are reserved for issuance (subject to the terms of the Employee Incentive Plan and the relevant provisions under the Listing Rules) under the Employee Incentive Plan.

The Employee Incentive Plan is designed to provide the directors, employees, advisors and consultants of the PAX Group with the opportunity to acquire proprietary interests in the PAX Group, which will encourage the grantees of such options to work towards enhancing the value of the PAX Group and benefit the PAX Group as a whole.

The Employee Incentive Plan shall take effect subject to:

- (a) the passing of a resolution of PAX to approve and adopt the Employee Incentive Plan and to authorise the board of directors of PAX to grant options under the scheme and to allot and issue the PAX Ordinary Shares pursuant to the exercise of any options; and

- (b) the passing of a resolution by the Company in general meeting to approve the Employee Incentive Plan and the grant of option and issue of the PAX Ordinary Shares pursuant to the scheme.

Based on the terms of the PAX Preference Shares, the issue of the PAX Ordinary Shares under the Employee Incentive Plan will not trigger an adjustment to the Conversion Ratio. Further details of the Employee Incentive Plan (including its principal terms) will be included in the circular to be despatched to the Shareholders in due course.

IMPLICATION UNDER THE LISTING RULES

Upon Completion, the Company's indirect equity interest in the total issued share capital of PAX will be reduced by 20% (without taking into account the PAX Ordinary Shares which may be issued under the Employee Incentive Plan) as a result of the Disposal. The Disposal represents a possible disposal of the Company's interest in PAX. As the applicable percentage ratios (as defined under the Listing Rules) for the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser is wholly-owned by Hao Capital. Digital Investment, a substantial shareholder of PAX is a subsidiary of Hao Capital China Fund L.P.. As the general partners and management companies of Hao Capital and Hao Capital China Fund L.P. are under common control, the Disposal and the transactions contemplated under The Sale and Purchase Agreement (including the execution of the Shareholders' Agreement at Completion) constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules. In this regard, the Purchaser, together with its associates (in the event that they have shareholdings in the Company as at the date of the SGM), are required to abstain from voting in respect of the relevant resolution(s) regarding the Disposal at the SGM. As at the date of this announcement, Hao Capital China Fund L.P., through its wholly-owned subsidiary, holds approximately 2.88% of the issued share capital of the Company.

In addition, the adoption of the Employee Incentive Plan is subject to the Shareholders' approval at the SGM under Chapter 17 of the Listing Rules and no shareholder is required to abstain from voting on the relevant resolution(s) approving the Employee Incentive Plan under the Listing Rules.

GENERAL

The Company has established an Independent Board Committee (which comprises all the three independent non-executive Directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Xu Sitao) to (i) advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Disposal is in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Disposal, after taking into account the recommendation of the Independent Financial Adviser.

Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

A circular of the Company containing, among other things, (i) further details of the Disposal and the Employee Incentive Plan; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Disposal; (iii) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Disposal; and (iv) a notice of SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	transfer of beneficial ownership of the Sale Shares
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	US\$20 million (equivalent to approximately HK\$155.4 million)
“Digital Investment”	Digital Investment Limited, a company wholly-owned by Hao Capital China Fund L.P. and the holder of the preference shares of PAX which shall be re-designated as the PAX Series A Preference Shares
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 8,750,000 PAX Ordinary Shares by the Transferor to the Purchaser
“Employee Incentive Plan”	the share option scheme for directors, employees, advisors and consultants of the PAX Group proposed to be adopted by PAX
“Group”	the Company and its subsidiaries
“Hao Capital”	Hao Capital Fund II L.P.
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Xu Sitao, established to advise the Independent Shareholders in respect of the Disposal

“Independent Financial Adviser” or “Guangdong Securities”	Guangdong Securities Limited, a licensed corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal
“Independent Shareholders”	Shareholders other than the Purchaser and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PAX”	PAX Technology Limited, an indirect non wholly-owned subsidiary of the Company and is a company incorporated in Hong Kong with limited liability on 8 March 2000
“PAX Group”	PAX and its subsidiaries
“PAX Ordinary Share(s)”	the ordinary share(s) of HK\$1.00 each in the share capital of PAX
“PAX Preference Share(s)”	series A preference share(s) of HK\$1.00 each and series B preference share(s) of HK\$1.00 each in the share capital of PAX
“PAX Preference Shareholder(s)”	holder(s) of the PAX Preference Shares
“PAX Series A Preference Share(s)”	series A preference share(s) of HK\$1.00 each in the share capital of PAX
“PAX Series B Preference Share(s)”	series B preference share(s) of HK\$1.00 each in the share capital of PAX
“PAX Share(s)”	share(s) in the share capital of PAX, including the PAX Ordinary Share(s) and the PAX Preference Share(s)
“PRC”	the People’s Republic of China
“Purchaser”	Dream River Limited, a company wholly-owned by Hao Capital
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into among PAX, the Purchaser, the Company and the Transferor on 30 March 2009 regarding the Disposal
“Sale Shares”	being the 8,750,000 PAX Ordinary Shares to be transferred by the Transferor to the Purchaser pursuant to the Sale and Purchase Agreement
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the adoption of the Employee Incentive Plan

“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among PAX, the Purchaser, the Company and Digital Investment at Completion amending and restating certain terms and conditions of the existing shareholders’ agreement of PAX dated 23 May 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transferor”	Hi Sun Technology Holding Limited, a indirect wholly-owned subsidiary of the Company and a company incorporated in Bermuda
“%”	per cent.

Hong Kong, 1 April 2009

On Behalf of the Board
Hi Sun Technology (China) Limited
Li Wenjin
Executive Director

For the purpose of this announcement, all amounts denominated in US\$ have been translated (for information only) into HK\$ using the exchange rate of US\$1.00:HK\$7.77. No representation is made that any amounts in US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

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

This announcement will remain on the “Latest Company Announcements” page of the website of the Stock Exchange and the website of the Company for at least 7 days from the date of its posting.

** For identification purpose only*