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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hi Sun Technology (China) Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

A letter from the board of directors of the Company is set out on pages 2 to 4 of this circular. A notice convening the special general meeting to be held at Suite 2316, 23rd Floor, One International Finance Centre, No.1 Harbour View Street, Central, Hong Kong on Monday, 12 September 2005 at 10:00 a.m. is set out on pages 5 to 7 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at Suite 2316, 23rd Floor, One International Finance Centre, No.1 Harbour View Street, Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not prevent shareholders from attending and voting at the special general meeting or any adjourned meeting if they so wish.

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DEFINITIONS

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

“Board”	the board of Director(s) of the Company
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“Company”	Hi Sun Technology (China) Limited (高陽科技(中國)有限公司)*, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s)
“SGM”	the special general meeting of the Company to be held at Suite 2316, 23rd Floor, One International Finance Centre, No.1 Harbour View Street, Central, Hong Kong on Monday, 12 September 2005 at 10:00 a.m.
“SGM Notice”	the notice convening the SGM set out on pages 5 to 7 of this circular
“Special Resolution”	the proposed special resolution as referred to in the SGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* For identification purposes only

LETTER FROM THE BOARD



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 818)

Executive Directors:

CHEUNG Yuk Fung (*Chairman*)
KUI Man Chun
LO Siu Yu
XU Wensheng
LI Wenjin
CHAN Yiu Kwong
XU Chang Jun
ZHOU Jian

Non-executive Director:

LIU Yangsheng, Charles

Independent non-executive Directors:

TAM Chun Fai
XU Sitao
LEUNG Wai Man, Roger

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place

of Business in Hong Kong:
Suite 2316, 23rd Floor
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

18 August 2005

To the Shareholders

Dear Sir or Madam,

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

1. INTRODUCTION

At the SGM to be held on 12 September 2005, a special resolution will be proposed to amend the Bye-laws of the Company, details of which are set out in the section headed "Amendments to the Bye-laws" below.

The purpose of this circular is to provide you with information regarding the proposed amendments to the Bye-laws and to seek your approval of the Special Resolution relating to these matters at the SGM.

* *For identification purposes only*

LETTER FROM THE BOARD

2. AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has amended the Listing Rules for the purpose of implementing the Code on Corporate Governance Practices (the “Code”). In the Listing Rules, the Code replaces the Code of Best Practice in Appendix 14 to the Listing Rules. To align the Bye-laws with the amendments to the Listing Rules, the Company proposes that the Bye-laws be amended in the manner set out in the Special Resolution of the SGM Notice.

Pursuant to paragraph E.2.1 of the Code, the chairman of a meeting and/or directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at a particular meeting shall demand a poll in certain circumstances where, on a show of hands, a meeting votes in the opposite manner to that instructed in those proxies. The chairman of the meeting is also required under such circumstances to disclose to the meeting the total number of votes represented by all proxies held by directors indicating an opposite vote to the votes cast at the meeting on a show of hands. The Directors therefore propose the amendments set out in paragraphs (A) and (B) of the Special Resolution to the existing Bye-laws 66 and 68.

Pursuant to paragraph A.4.2 of the Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In view of paragraph A.4.2 of the Code, the Directors therefore propose the amendments set out in paragraphs (C) and (D) of the Special Resolution to the existing Bye-laws 86(2), 87(1) and 87(2).

3. SPECIAL GENERAL MEETING

A notice convening the SGM to be held at Suite 2316, 23rd Floor, One International Finance Centre, No. 1 Harbour View Street, Central, Hong Kong on Monday, 12 September 2005 at 10:00 a.m. is set out on pages 5 to 7 in this circular.

4. ACTION TO BE TAKEN

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to be present at the meeting, you are requested to complete the form of proxy and return it to the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the SGM. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the SGM or any adjournment thereof if they so wish.

5. PROCEDURES FOR DEMANDING A POLL

Pursuant to the existing Bye-law 66, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:-

- (a) by the chairman of the meeting; or

LETTER FROM THE BOARD

- (b) by at least three members present in person (or in the case of a member being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member being a corporation by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorized representative shall be deemed to be the same as a demand by a member.

6. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

7. RECOMMENDATION

The Directors consider that the proposed amendments to the Bye-laws of the Company are in the interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the Special Resolution to be proposed at the SGM.

Yours faithfully,
By order of the Board
Li Wenjin
Executive Director

NOTICE OF SPECIAL GENERAL MEETING



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 818)

NOTICE IS HEREBY GIVEN that a special general meeting (the “Special General Meeting”) of Hi Sun Technology (China) Limited (the “Company”) will be held at Suite 2316, 23rd Floor, One International Finance Centre, No. 1 Harbour View Street, Central, Hong Kong on Monday, 12 September 2005 at 10:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT** the Bye-laws of the Company be and are hereby amended in the following manner:–

(A) Bye-law 66

Bye-law 66 be amended by:–

- (i) inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” after the words “on a show of hands unless” in the third sentence of Bye-law 66;
- (ii) deleting the full-stop at the end of existing Bye-law 66(d) and replacing therewith a semicolon and the word “or”; and
- (iii) inserting the following as new Bye-law 66(e):–

“(e) if required by the rules of the Designated Stock Exchange, by the chairman of the meeting and/or the Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

(B) Bye-law 68

The existing Bye-law 68 be deleted in its entirety and substituted by the following:

“68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting shall, and shall only be required to, disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

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NOTICE OF SPECIAL GENERAL MEETING

(C) Bye-law 86

By deleting the last sentence of the existing Bye-law 86(2) and substituting therefor the following new sentence:

“Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at the meeting.”

(D) Bye-law 87

Bye-law 87 be amended by:-

- (i) deleting Bye-law 87(1) in its entirety and substituting therefor the following:

“87.(1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.”

- (ii) inserting the words “and shall continue to act as a Director throughout the meeting at which he retires” after the word “re-election” at the end of the first sentence of Bye-law 87(2).

(E) Bye-law 103

By deleting the words “the Company” and substituting therefor the words “that company,” of the existing Bye-law 103(1)(iv).”

By order of the Board
Li Wenjin
Executive Director

Hong Kong, 18 August 2005

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal Place
of Business in Hong Kong:*
Suite 2316, 23rd Floor
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:-

- (1) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the meeting is enclosed.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's principal place of business at Suite 2316, 23rd Floor, One International Finance Centre, No. 1 Harbour View Street, Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (5) Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting at the meeting if the member so desires.