

**THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in 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 (the "Company"), you should at once hand this circular and the Annual Report 2005 of the Company with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.



**HI SUN TECHNOLOGY (CHINA) LIMITED**

**高陽科技（中國）有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 818)**

**GENERAL MANDATES TO ISSUE  
SHARES AND TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
AMENDMENTS TO THE BYE-LAWS**

A notice convening the Annual General Meeting of the Company to be held at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 23 May 2006 at 10:00 a.m. is set out in the Annual Report 2005 of the Company to be despatched to shareholders of the Company together with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy accompanying the Annual Report 2005 in accordance with the instructions printed thereon and return it to the principal place of business of the Company at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the Annual General Meeting or any adjourned meeting if they so wish.

\* For identification purpose only

Hong Kong, 29 April 2006

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## DEFINITIONS

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

“AGM Notice”	the notice of the Annual General Meeting which is set out in the Annual Report 2005 and is being despatched to the Shareholders together with this circular
“Annual General Meeting”	the annual general meeting of the Company to be held at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 23 May 2006 at 10:00 a.m.
“Annual Report 2005”	the annual report of the Company for the year ended 31 December 2005
“Board”	the board of Directors
“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 Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HSL”	Hi Sun Limited, the ultimate shareholding company of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 April 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Resolution(s) ”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“PRC”	the People’s Republic of China, and for the purpose of this circular excluding Hong Kong, Taiwan and the Macau Special Administrative Region

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)
“Share Issue Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to allot, issue and deal with additional Shares up to 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate
“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 29 November 2001
“Share Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution approving the Share Repurchase Mandate
“Special Resolution”	the proposed special resolution in respect of the special business as referred to in the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

*Independent Non-Executive Directors:*

TAM Chun Fai

LEUNG Wai Man, Roger

XU Sitao

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal*

*Place of Business:*

Room 2416, 24th Floor

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

29 April 2006

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE  
SHARES AND TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
AMENDMENTS TO THE BYE-LAWS**

**1. INTRODUCTION**

At the Annual General Meeting to be held on Tuesday, 23 May 2006, ordinary and special resolutions will be proposed, inter alia, (i) to grant to the Directors general mandates to allot, issue and deal with new Shares and to repurchase Shares, since the previous general mandates granted to the Directors on 23 May 2005 to issue Shares and to repurchase Shares will lapse at the conclusion of the Annual General Meeting; (ii) to re-elect the retiring Directors; and (iii) to amend the Bye-laws of the Company.

\* For identification purpose only

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the Share Issue Mandate, Share Repurchase Mandate, re-election of certain Directors and proposed amendments to the Bye-laws as required under the Listing Rules and to seek your approval of the relevant Ordinary Resolutions and Special Resolution relating to these matters at the Annual General Meeting. This circular also contains biographies of the Directors who will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

### **2. GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with the Shares. The Shares which may be allotted and issued pursuant to the Share Issue Mandate shall not exceed 20% of the issued share capital of the Company in issue as at the date of passing of the resolution approving the Share Issue Mandate which, if passed, shall be a maximum of 81,270,806 Shares (or such other number of Shares as would represent 20% of the issued share capital of the Company at the relevant time if there should be a change in the issued share capital of the Company between the date of this circular and the date of passing the relevant resolution). The Share Issue Mandate shall expire upon the earliest of (i) the conclusion of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required by law or the Bye-laws to be held and (iii) the date upon which such authority given under the Share Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders. Details of the Share Issue Mandate is set out in Ordinary Resolution No.4 in the AGM Notice.

In addition, Ordinary Resolution No.6 will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the number of Shares repurchased pursuant to the Share Repurchase Mandate, if granted.

### **3. GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to the Directors to exercise all powers of the Company to repurchase issued and fully paid Shares in the capital of the Company. Under the Share Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the issued share capital of the Company on the date of passing of the resolution approving the Share Repurchase Mandate. The Share Repurchase Mandate allows the Company to make repurchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required by law or Bye-laws to be held and (iii) the date upon which such authority given under the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders. Details of the Share Repurchase Mandate is set out in Ordinary Resolution No.5 in the AGM Notice.

## LETTER FROM THE BOARD

An explanatory statement as required under the Listing Rules, giving certain information regarding the Share Repurchase Mandate together with the details of the repurchases of the Shares made by the Company during the six months preceding the Latest Practicable Date, is set out in Appendix I to this circular.

#### 4. RE-ELECTION OF DIRECTORS

In accordance with the Bye-laws 87(1) and 87(2), Mr. Cheung Yuk Fung, Mr. Kui Man Chun, Mr. Chan Yiu Kwong and Mr. Xu Chang Jun will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

Mr. Liu Yangsheng, Charles was appointed as non-executive Director by the Board in May 2005, and has resigned with effect from 17 April 2006.

The biographical details and interest in Shares of the aforesaid Directors are set out in Appendix II to this circular.

#### 5. AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has recently announced certain amendments to the Listing Rules which came into effect on 1 March 2006. Pursuant to paragraph 4(3) on Appendix 3 to the Listing Rules, the Company in general meeting shall have power by ordinary resolution to remove any Director before the expiration of his period of office. In addition, pursuant to A.4.2 of the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules which came into effect on 1 January 2005, all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment. Moreover, every Director, including those appointed for a specific term, should be subject to retirement at least once every three years.

In the circumstances, in order to bring the Bye-laws in line with the Listing Rules, a special resolution will be proposed at the Annual General Meeting to amend (i) the existing Bye-law 86(2) to the effect that all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment; (ii) the existing Bye-law 86(4) to the effect that removal of directors may be by ordinary resolution; and (iii) the existing Bye-law 87(2) to the effect that any Director elected by Shareholders either to fill a casual vacancy on the board or as an addition to the existing Board will be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Details of the proposed amendments to the existing Bye-laws are set out in Special Resolution No.7 of the AGM Notice as set out in the Annual Report 2005 of the Company.

## LETTER FROM THE BOARD

### 6. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 23 May 2006 at 10:00 a.m. is set out in the Annual Report 2005. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Share Issue Mandate, the Share Repurchase Mandate to the Directors, the re-election of Directors and the amendments to the Bye-laws of the Company.

### 7. ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with the Annual Report 2005. 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 as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting or any adjourned meeting if they so wish.

### 8. PROCEDURES FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a general meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange (before or on the declaration of the results 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
- (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 the aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or



## LETTER FROM THE BOARD

- (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.

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 the same as a demand by a member.

### 9. FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed with the Annual Report 2005. 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 as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the Annual General Meeting (or any adjourned meeting) if they so wish.

### 10. RECOMMENDATION

The Directors consider that the granting to the Directors of the Shares Issue Mandate, the Shares Repurchase Mandate, the re-election of Directors and the proposed amendments to the Bye-laws are in the interests of the Group and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the Ordinary Resolutions and the Special Resolution in relation to the above matters as set out in the AGM Notice which is contained in the Annual Report 2005.

### 11. 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 inquiries, 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 not contained in this circular the omission of which would make any statement in this circular misleading.

### 12. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,  
By Order of the Board  
**LI Wenjin**  
*Director*

*The following is the explanatory statement required by the Listing Rules to be sent to Shareholders at the same time as the AGM Notice in connection with the Repurchase Mandate.*

**SHARE CAPITAL**

As at the Latest Practicable Date, the number of Shares of the Company in issue was 406,354,030 Shares. Subject to the passing of Ordinary Resolution No.5 approving the Shares Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 40,635,403 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law or by the Bye-laws to be held or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

**REASONS FOR REPURCHASE**

The Directors believe that it is in the interests of the Company and the Shareholders to seek a general authority from Shareholders to enable the Directors to repurchase Shares.

Such repurchases may, depending on market conditions and funding arrangements at the time, result in an increase in net asset value of the Company and/or earnings per Share and will only be made in circumstances which the Directors believe are appropriate for the benefit of the Company and the Shareholders.

**FUNDING OF REPURCHASE**

Repurchases must be made out of funds which are legally available for such purpose in accordance with the memorandum of association of the Company, the Bye-laws and the laws and regulations of Bermuda. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

In the event that the power to repurchase Shares pursuant to the Share Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period, there could be an adverse impact on the working capital or gearing position of the Company (as compared with the position as disclosed in the Company's most recent published audited financial statements contained in the Annual Report 2005). However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

**GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates (as defined in the Listing Rules) currently intend to sell any Shares to the Company under the Repurchase Mandate in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Shares Repurchase Mandate is approved by the Shareholders.

If on the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, pursuant to Rule 32 of the Takeovers Code, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Kui Man Chun, the ultimate controlling shareholder of the Company, beneficially held 189,270,909 Shares, representing approximately 46.58% of the issued share capital of the Company. In the event that the Directors should exercise in full the Shares Repurchase Mandate, the shareholding of Mr. Kui Man Chun in the Company will be increased to approximately 51.75% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Share Repurchase Mandate. The Directors do not propose to exercise the Share Repurchase Mandate to such extent that the public shareholding would be reduced to less than 25% of the issued share capital of the Company.

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

<b>Month</b>	<b>Lowest</b> <i>HK\$</i>	<b>Highest</b> <i>HK\$</i>
<b>2005</b>		
April	0.310	0.450
May	0.365	0.510
June	0.380	0.480
July	0.480	1.040
August	0.620	0.780
September	0.710	1.000
October	1.000	1.510
November	1.160	1.500
December	0.900	1.400
<b>2006</b>		
January	1.230	1.300
February	1.250	1.550
March	1.460	2.500
1 April to the Latest Practicable Date	2.100	2.900

The followings are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting:-

**1. CHEUNG YUK FUNG**

Mr. Cheung, aged 60, has been the Chairman and a Director since November 2001. He graduated from the Faculty of Radio Electronics at Peking University in the PRC and worked as a professor at Peking University thereafter. Prior to joining the Group, Mr. Cheung was a chairman of a company listed in the PRC and a director of a company listed on the Stock Exchange and has working experience in international trade, finance, asset management and strategic planning. Mr. Cheung was honored many awards, including being selected as the young entrepreneur with outstanding contribution to China, and won the first prize of national golden award for enterprise initiators in the 4th National Technology Industrialist Award and many other awards. Save as disclosed herein, Mr. Cheung has not held any other directorships in listed public companies in the last three years.

Mr. Cheung does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Cheung does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Cheung has not entered into a service agreement with the Company and there is no agreed term of his service. For the financial year ended 31 December 2005, Mr. Cheung received no remuneration for acting as Director of the Company.

**2. KUI MAN CHUN**

Mr. Kui, aged 40, has been a Director since June 2001. He graduated from Peking University in the PRC with a master's degree in international relations and has over 15 years of experience in the information technology industry and investment activities. Mr. Kui is also the chairman and chief executive officer of HSL, the Company's controlling shareholder. Prior to joining HSL in 2000, Mr. Kui was the president of an enterprise in the PRC. Save as disclosed herein, Mr. Kui has not held any other directorships in listed public companies in the last three years.

Save as disclosed above, Mr. Kui does not have any relationship with any Directors, senior management or substantial shareholders of the Company. Mr. Kui holds 6,300,000 share options under the Share Option Scheme of the Company and holds 99.16% equity interest in HSL, which is the ultimate shareholding company of the Company. Save as disclosed above, Mr. Kui does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Kui has entered into a service agreement with the Company for a term of 1 year commencing from 1 January 2004 and shall continue thereafter unless and until terminated by either the Company or the Director giving to the other not less than 3 months' notice in writing. For the year 2006, his annual salary as an executive Director will be approximately HK\$612,000 which is determined by the Board with reference to his duties, responsibilities and the market conditions. Mr. Kui is entitled to bonus payments for his office as executive Director, the amount of which is determined by the Board at its absolute discretion.

### 3. CHAN YIU KWONG

Mr. Chan, aged 41, has been a Director since July 2001. He graduated from the University of Hong Kong with a bachelor's degree in social sciences. Mr. Chan is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and is a fellow member of the Chartered Association of Certified Accountants in the United Kingdom. Mr. Chan is also the director of HSL. Prior to joining the Company, he was the financial controller and company secretary of a listed company on the Stock Exchange and was a manager of an international public accountancy firm. Mr. Chan is currently an independent non-executive Director of two companies listed on the Stock Exchange. He has over 15 years of experience in auditing, business advisory and corporate management. Save as disclosed herein, Mr. Chan has not held any other directorships in listed public companies in the last three years.

Save as disclosed above, Mr. Chan does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Apart from the 2,500,000 share options held by Mr. Chan under the Share Option Scheme of the Company, Mr. Chan does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Chan has entered into a service agreement with the Company for a term of 1 year commencing from 1 January 2004 and shall continue thereafter unless and until terminated by either the Company or the Director giving to the other not less than 3 months' notice in writing. For the year 2006 his annual salary as an executive Director will be approximately HK\$852,000 which is determined by the Board with reference to his duties, responsibilities and the market conditions. Mr. Chan is entitled to any bonus payments for his office as executive Director, the amount of which is determined by the Board at its absolute discretion.

### 4. XU CHANG JUN

Mr. Xu, aged 39, has been a Director since July 2001. He graduated from Peking University in the PRC with a master's degree in international economics. Prior to joining the Company, Mr. Xu had worked for several companies in the PRC and Hong Kong. He has over 15 years of experience in corporate management of enterprise in Hong Kong and the PRC. Save as disclosed herein, Mr. Xu has not held any other directorships in listed public companies in the last three years.

Save as disclosed above, Mr. Xu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Apart from the 6,600,000 share options held by Mr. Xu under the Share Option Scheme, Mr. Xu does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Xu has entered into a service agreement with the Company for a term of 1 year commencing from 1 January 2004 and shall continue thereafter unless and until terminated by either the Company or the Director giving to the other not less than 3 months' notice in writing. For the year 2006 his annual salary as an executive Director will be approximately HK\$312,000 which is determined by the Board with reference to his duties, responsibilities and the market conditions. Mr. Xu is entitled to any bonus payments for his office as executive Director, the amount of which is determined by the Board at its absolute discretion.



# HI SUN TECHNOLOGY (CHINA) LIMITED

## 高陽科技(中國)有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock code: 818)

### FORM OF PROXY FOR ANNUAL GENERAL MEETING

Form of Proxy for use at the Annual General Meeting convened at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 23 May 2006 at 10:00 a.m. (or at any adjournment thereof)

I/We<sup>(1)</sup> \_\_\_\_\_  
of (address) \_\_\_\_\_  
being the registered holder(s) of<sup>(2)</sup> \_\_\_\_\_ shares of HK\$0.01 each in the capital of Hi Sun Technology (China) Limited (the "Company"), HEREBY APPOINT<sup>(3)</sup> \_\_\_\_\_  
of (address) \_\_\_\_\_

or failing him<sup>(3)</sup> the Chairman of the Meeting as my/our proxy to act for me/us and on my/our behalf at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 23 May 2006 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out in the notice convening the said Annual General Meeting and at such meeting or at any adjournment thereof to vote for me/us and in my/our name(s) in respect of the resolutions as indicated below and, if no such indication is given, as my/our proxy thinks fit.

		FOR <sup>(4)</sup>	AGAINST <sup>(4)</sup>
1.	To receive and adopt the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2005		
2.	(i) To re-elect Mr. Cheung Yuk Fung as a director.		
	(ii) To re-elect Mr. Kui Man Chun as a director.		
	(iii) To re-elect Mr. Chan Yiu Kwong as a director.		
	(iv) To re-elect Mr. Xu Chang Jun as a director.		
	(v) To authorise the Board of Directors to fix the remuneration of the directors.		
3.	To re-appoint PricewaterhouseCoopers as auditors and to authorise the Board of Directors to fix their remuneration.		
4.	To grant a general mandate to the directors to allot, issue and deal with additional shares of the Company not exceeding 20 per cent. of the issued share capital of the Company.		
5.	To grant a general mandate to the directors to repurchase shares of the Company not exceeding 10 per cent. of the issued share capital of the Company.		
6.	To extend the general mandate to the directors to allot, issue and deal with additional shares of the Company of an amount representing the aggregate nominal amount of shares repurchased by the Company.		
7.	To amend the Bye-laws of the Company.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2006 Signature<sup>(5)</sup> \_\_\_\_\_

- Notes:-
- Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
  - Please insert the number of shares of HK\$0.01 each registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
  - Please insert the name and address of the proxy desired. **IF NO NAME IS INSERTED, THE CHAIRMAN OF THE MEETING WILL ACT AS YOUR PROXY.** Any alterations made to this form of proxy should be initialled by the person who signs it. The proxy need not be a member of the Company, but must attend the meeting in person to represent you.
  - IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, PLEASE PLACE A "✓" IN THE RELEVANT BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, PLEASE PLACE A "✓" IN THE RELEVANT BOX MARKED "AGAINST".** Failure to tick either box will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than that referred to in the notice convening the meeting.
  - This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
  - Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, that one of the holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
  - To be valid, this form of proxy together with the power of attorney or other authority, if any, under which it is signed or certified copy of that power or authority must be lodged at the principal place of the business of the Company at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
  - Completion and return of this form of proxy will not preclude you from attending and voting at the Meeting if you so wish. In the event that you attend the Meeting after having lodged this form of proxy, this form of proxy will be deemed to have been revoked.

\* For identification purpose only