
THIS 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 2011 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.

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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)

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

A notice convening the Annual General Meeting of the Company to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on 11 May 2012, Friday at 11:00 a.m. is set out in Appendix III to this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at Room 2515, 25th 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. 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, 23 March 2012

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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 dated 23 March 2012 convening the Annual General Meeting as set out on pages 14 to 18 of this circular
“Annual General Meeting”	the annual general meeting of the Company to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on 11 May 2012, Friday at 11:00 a.m.
“Annual Report 2011”	the annual report of the Company for the year ended 31 December 2011
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“Company”	Hi Sun Technology (China) Limited, 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	16 March 2012, 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

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular excluding Hong Kong, Taiwan and the Macau Special Administrative Region
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.0025 each in the share capital of the Company
“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 the passing of the resolution approving the Share Issue Mandate
“Shareholder(s)”	the registered holder(s) of Share(s)
“Special Resolution”	the proposed special resolution as referred to in the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Shares Repurchases 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



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:

Mr. CHEUNG Yuk Fung (*Chairman*)
Mr. KUI Man Chun (*Chief Executive Officer*)
Mr. XU Wensheng
Mr. LI Wenjin
Mr. XU Chang Jun

Non-Executive Director:

Mr. CHANG Kai-Tzung, Richard

Independent Non-Executive Directors:

Mr. TAM Chun Fai
Mr. XU Sitao
Mr. LEUNG Wai Man, Roger

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal Place
of Business:*

Room 2515, 25th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

23 March 2012

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

At the Annual General Meeting, (a) ordinary 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 29 April 2011 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 (b) a special resolution will be proposed to amend the Bye-laws.

* 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 retiring Directors, the amendments to the Bye-laws and the notice of Annual General Meeting 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 534,685,967 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, and (ii) 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 are set out in Ordinary Resolution No. 5 in the AGM Notice.

In addition, Ordinary Resolution No. 7 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, and (ii) 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. 6 in the AGM Notice.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Share Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

4. RE-ELECTION OF RETIRING DIRECTORS

In accordance with bye-laws 87(1) and 87(2), Mr. Li Wenjin, Mr. Xu Wensheng and Mr. Tam Chun Fai will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

Mr. Xu Sitao has served as an independent non-executive Director for more than 9 years since July 2001. The Company has received from Mr. Xu Sitao a confirmation of independence pursuant to Rule 3.13 of Listing Rules and Mr. Xu Sitao has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works in the past years, the Directors consider Mr. Xu Sitao to be independent under Listing Rules despite the fact that he has served the Company for more than 9 years. As Mr. Xu Sitao has served as an independent non-executive Director for more than 9 years, he will voluntarily retire at the Annual General Meeting and, being eligible, will offer himself for re-election and his continued appointment and re-election should be subject to a separate resolution to be approved by Shareholders pursuant to the requirement of the Listing Rules.

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

5. AMENDMENTS TO THE BYE-LAWS

In view of the changes to the Listing Rules, the Directors propose certain amendments to the Bye-laws to give effect to, among others, the following:

- (a) the period for Shareholders to give notice to the Company for nomination of Directors at a general meeting under the existing Bye-laws shall be amended to avoid as much as possible the need for an adjournment of the meeting whilst still in compliance with Rule 13.70 of the Listing Rules which provides that the Company shall publish an announcement or issue a supplementary circular to provide details in relation to the candidate(s) nominated to be Director(s) at least 10 business days before the date of the relevant general meeting to consider the subject matter; and
- (b) the exemption for a Director to disregard his interests only as an officer or executive of a company or his beneficial interests of not being 5% or more of the issued share capital of that company when considering whether the director has a material interest on the relevant proposal concerning that company which would prevent him from forming part of the quorum or voting at board meeting shall be cancelled in accordance with Rule 13.44 of the Listing Rules.

Details of the proposed amendments to the Bye-laws are set out in the AGM Notice. Special Resolution No. 8 for the proposed amendments to the Bye-laws will be put forward to be considered and, if thought fit, approved by the Shareholders at the AGM.

LETTER FROM THE BOARD

The legal advisers to the Company as to Hong Kong laws and Bermuda laws have respectively confirmed that the proposed amendments comply with the requirements of the Listing Rules and the applicable laws of Bermuda.

Shareholders are advised that the Bye-laws are available only in English and the Chinese translation of the amendments to the Bye-laws provided in the AGM Notice is for reference only. In case of any inconsistency, the English version shall prevail.

6. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on 11 May 2012, Friday at 11:00 a.m. is set out in Appendix III of this circular. 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 the retiring Directors and the amendments to the Bye-laws.

7. ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular and published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.hisun.com.hk). 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. VOTING AT THE ANNUAL GENERAL MEETING

Rule 13.39(4) of the Listing Rules requires that, all votes of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting in good faith decides to allow a resolution which relates purely to a procedural or administration matter to be voted on by a show of hands. The chairman of the meeting will therefore demand a poll for the Ordinary Resolutions and the Special Resolution to be put to the vote at the Annual General Meeting pursuant to bye-law 66 of the Bye-laws. The results of the voting will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.hisun.com.hk) on the Business Day following the Annual General Meeting.

9. RECOMMENDATION

The Directors consider that the granting to the Directors of the Share Issue Mandate, the Share Repurchase Mandate, the re-election of the retiring 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. Mr. Xu Sitao will abstain from voting on Ordinary Resolution No. 3.

LETTER FROM THE BOARD

10. 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
Executive Director

The following is the explanatory statement required by the Listing Rules to provide requisite information to Shareholders for consideration of the proposal to approve the Share Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares of the Company in issue was 2,673,429,835 Shares. Subject to the passing of Ordinary Resolution No. 6 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 267,342,983 Shares, being 10% of the issued share capital of the Company as at the Latest Practicable Date during the period ending on the earliest of the conclusion of the next annual general meeting of the Company 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. The Directors believe that the Share Repurchase Mandate would give the Company additional flexibility where the situation warrants for repurchasing the Shares and is in the best interests of the Company and the Shareholders.

Such repurchases may, depending on market conditions and funding arrangements at the time, result in an increase in net asset value of the Company per Share 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 a material 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 2011). 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 Share 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 Share 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, through the interests of his associated companies, beneficially held 645,733,636 Shares, representing approximately 24.15% of the issued share capital of the Company. In the event that the Directors should exercise in full the Share Repurchase Mandate but assuming the present shareholding structure of the Company remains unchanged, the shareholding of Mr. Kui Man Chun in the Company will be increased to approximately 26.84% of the issued share capital of the Company. The Directors are not aware of any other 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:

Month	Lowest <i>HK\$</i>	Highest <i>HK\$</i>
2011		
April	2.3800	2.8400
May	1.8500	2.5000
June	1.8000	2.2500
July	2.2200	2.7500
August	1.8700	2.6200
September	1.5700	2.3100
October	1.4100	2.3000
November	2.1000	2.4100
December	1.9400	2.4000
2012		
January	2.0300	2.2000
February	1.6700	2.2000
1 March to the Latest Practicable Date	1.4500	1.7300

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

LI WENJIN

Mr. Li, aged 48, is an Executive Director of the Company. He graduated from Peking University in the PRC with a master degree in law. He has over 15 years of experience in investment and administrative affairs. Mr. Li is also the managing director of Hi Sun Limited ("HSL"), the Company's substantial shareholder. Prior to joining HSL in 1999, he had worked for several companies in the PRC and Hong Kong. He joined the Group in 2000. Mr. Li has also been appointed as an executive director of PAX Global Technology, an associate corporation of the Company since 24 February 2010.

Save as disclosed above, Mr. Li does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Li 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. Li 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 2011, his annual salary as an executive Director will be approximately HK\$1,080,000 (pursuant to the service agreement as adjusted by the Board) which is determined by the Board with reference to his duties, responsibilities and the market conditions. Mr. Li is entitled (pursuant to the service agreement as adjusted by the Board) to any bonus payments for his office as executive Director, the amount of which is determined by the Board at its absolute discretion.

XU WENSHENG

Mr. Xu, aged 43, is an Executive Director of the Company. He graduated from the Dalian University of Technology with a bachelor degree in computer science and engineering. Mr. Xu is also the director of HSL. Prior to joining the Group in 2003, Mr. Xu was the president of a system integration company and has an extensive experience in computer systems integration of the financial industry.

Save as disclosed above, Mr. Xu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. 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 2011, his annual salary as an executive Director will be approximately HK\$840,000 (pursuant to the service agreement as adjusted by the Board) which is determined by the Board with reference to his duties, responsibilities and the market conditions. Mr. Xu is entitled (pursuant to the service agreement as adjusted by the Board) to bonus payments for his office as executive Director, the amount of which is determined by the Board at its absolute discretion.

TAM CHUN FAI

Mr. Tam, aged 49, is an Independent Non-Executive Director of the Company. He graduated from the Hong Kong Polytechnic University with a bachelor of arts degree in accountancy. Mr. Tam is a member of Hong Kong Institute of Certified Public Accountants and is a member of Chartered Financial Analyst and has over 20 years' experience in auditing, corporate advisory services as well as financial management and compliance work. Mr. Tam is currently an executive director of Beijing Enterprises Holdings Limited (a major red chip company) and an independent non-executive director of KWG Property Holding Limited, both companies listed on the Main Board of the Hong Kong Stock Exchange. He joined the Group in 2004.

Mr. Tam Chun Fai does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Tam Chun Fai 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. Tam Chun Fai has entered into a service agreement with the Company for a term of 1 year commencing 18 April 2011 and unless and until terminated by either the Company or the Director giving to the other not less than 2 months' notice in writing. The director's fee for Mr. Tam Chun Fai is HK\$100,000 each year (pursuant to the service agreement), which is determined by the Board with reference to his duties, responsibilities and the market conditions.

XU SITAO

Mr. Xu, aged 48, is an Independent Non-Executive Director of the Company. He graduated from Peking University in the PRC with a bachelor of arts degree in economics and from the University of Connecticut with a master of arts degree in economics. He also holds a master of science degree in Finance from Boston College. Mr. Xu is currently the chief representative of china of the Economist Group and a director of Advisory Services (China) of Economist Intelligence Unit. Prior to joining the Economist Group, he was a senior economist at Industrial and Commercial Bank of China (Asia) Limited in Hong Kong from May 2003 to May 2004 and was the chief asian economist of Societe Generale from September 2000 to November 2002. Between 1996 and 2000, he was a regional treasury economist at Standard Chartered Bank. Prior to that, he was an emerging asia economist of Standard & Poor's MMS International in Singapore. He joined the Group in 2001.

Mr. Xu Sitao does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Xu holds 700,000 shares of the Company. Save as disclosed above, Mr. Xu Sitao 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 Sitao has entered into a service agreement with the Company for a term of 1 year commencing 18 April 2011 and unless and until terminated by either the Company or the Director giving to the other not less than 2 months' notice in writing. The director's fee for Mr. Xu Sitao is HK\$100,000 each year (pursuant to the service agreement), which is determined by the Board with reference to his duties, responsibilities and the market conditions.

Save as disclosed in this circular, the Board is not aware of any other matters in relation to the retiring Directors who are subject to re-election at the Annual General Meeting which need to be disclosed under Rule 13.51(2) of the Listing Rules.

Save as disclosed in this circular, the Board is not aware of any other matters which need to be brought to the attention of the Shareholders regarding the re-election of the retiring Directors.

**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 OF 2012 ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that an annual general meeting (the “Annual General Meeting”) of Hi Sun Technology (China) Limited (the “Company”) will be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on 11 May 2012, Friday at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and of the auditors for the year ended 31 December 2011;
2. To re-elect retiring Directors (Mr. Li Wenjin, Mr. Xu Wensheng, Mr. Tam Chun Fai) and to authorise the Board of Directors to fix their remuneration;
3. To re-elect retiring Director (Mr. Xu Sitao) and to authorise the Board of Directors to fix his remuneration;
4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration;

As special business, to consider and, if thought fit, pass with or without modifications, the following resolutions of which Resolutions Nos. 5, 6 and 7 will be proposed as Ordinary Resolutions; and Resolution No. 8 will be proposed as Special Resolution.

ORDINARY RESOLUTIONS

5. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

* For identification purpose only

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any option granted under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time; or (iv) an issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; and
 - (ii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe and/or exchange for shares of the holders of shares of the Company, or any class thereof, whose name appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer), if any in proportion to their holdings of such shares (or, where appropriate, such other securities) (subject to such exclusions or other

arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

6. "THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and the recognised by The Securities and Futures Commission of Hong Kong ("Securities and Futures Commission") and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, "Relevant Period" means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; and
 - (ii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution."

7. "THAT subject to the passing of Resolutions No.5 and No.6 set out in this notice convening this meeting, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to Resolution No.5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No.6 set out in this notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution."

SPECIAL RESOLUTION

8. “THAT the bye-laws of the Company (the “Bye-laws”) be and are hereby amended as follows:

(a) *Bye-law 66*

- (i) by deleting “; or” at the end of paragraph (d) of Bye-law 66 and inserting “.” thereafter; and
- (ii) by deleting paragraph (e) of Bye-law 66 in its entirety.

(b) *Bye-law 88*

By deleting the words “provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting” in the eighth line of Bye-law 88 and substituting therefor the following words:

“and the length of period, during which such Notice(s) are given, shall be the seven (7)-day period following the despatch of the notice of the general meeting appointed for such election (or such other period for the lodgment of Notice(s) as may be determined by the Directors from time to time, provided that such other period shall be at least seven (7) days, commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven (7) days prior to the date appointed for such general meeting).”

(c) *Bye-law 103*

By deleting the existing subparagraph (iv) in Bye-law 103 in its entirety and renumbering subparagraphs (v) and (vi) thereof as subparagraphs (iv) and (v) accordingly.”

By Order of the Board
Li Wenjin
Executive Director

Hong Kong, 23 March 2012

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is enclosed.
- (3) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting if the member so desires.
- (4) To be valid, a form of proxy must be duly completed and signed in accordance with the instructions printed thereon and lodged, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the principal place of the business of the Company at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be).
- (5) With regard to resolution no. 2 and resolution no. 3 in this notice, the Board of Directors proposes that the retiring Directors, namely, Mr. Li Wenjin, Mr. Xu Wensheng, Mr. Tam Chun Fai and Mr. Xu Sitao, be re-elected as Directors. The biographies of these Directors are also set out in Appendix II in this circular.
- (6) All votings on the resolutions in this notice by the members at the meeting shall be conducted by poll.