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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hi Sun Technology (China) Limited** (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, licensed securities dealer 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)****AMENDMENT TO THE TERMS OF THE 2019 OPTIONS GRANTED
UNDER MEGAHUNT SHARE OPTION SCHEME;
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of the Company to be held at Room 2515, 25/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 30 December 2019 at 11:00 a.m. (Hong Kong time) (“SGM”) is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the SGM, 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 by 11:00 a.m. on Saturday, 28 December 2019 (Hong Kong time) or not later than 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the SGM or any adjourned meeting if they so wish.

10 December 2019

* For identification purpose only

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DEFINITIONS

In this circular other than the SGM Notice, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“2019 Options”	Options granted to the Grantees as more particularly described under the paragraph headed “2. Major terms of the 2019 Options granted pursuant to the Megahunt Share Option Scheme” in the Letter from the Board in this circular
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Board of Megahunt”	the board of directors of Megahunt from time to time or its duly authorized committee for the purpose of administering Megahunt Share Option Scheme
“Business Day”	a working day other than Saturdays, Sundays and public holidays under the laws of the PRC, and a trading day of the Stock Exchange
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“close associate(s)”	has the meaning ascribed to it in the Listing Rules
“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
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Date of Grant”	in respect of an Option, subject to the conditions as set out in the Megahunt Share Option Scheme and the approval of the Directors and Shareholders (if required), the date on which the Board of Megahunt resolves to make an offer of that Option to the Participant, which date must be a Business Day
“Director(s)”	director(s) of the Company

DEFINITIONS

“Enlarged Registered Capital”	the maximum registered capital of Megahunt upon exercise of the Options by the Grantees in full
“Exercise Period”	in respect of any particular Option, the period within which the Option must be exercised as determined and notified by the Board of Megahunt to the Grantee at the time of making the offer of the Option, and commencing from the date on which the Option becomes exercisable by the Grantee and ending on the tenth anniversary (subject to approval by the Shareholders at the SGM) from the Date of Grant or the date on which such Option ceases to be valid, whichever is earlier
“Grantees”	Mr. Li, Mr. Liu, Mr. Xu CJ, Mr. Xu WS, Mr. Yang, Ms. Hui and Ms. Song collectively, each a “Grantee”
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Investment”	the investment of RMB80 million in Megahunt by the Investors for approximately 14.55% of the Registered Capital (as enlarged after such Investment and the full exercise of the 2019 Options) pursuant to the Investment Agreement
“Investment Agreement”	the investment agreement dated 4 December 2019 entered into between Megahunt, Megahunt HK, the Company, the Grantees and the Investors, pursuant to which the Investors have agreed to invest an aggregate amount of RMB80 million in Megahunt (out of which HK\$3,319,148 as Registered Capital and the remaining as capital reserve) for approximately 14.55% of the Registered Capital (as enlarged after such Investment and the full exercise of the 2019 Options)
“Investors”	Ju Xin Fund, Wonder Pax and Xin Lian Xin collectively, each an “Investor”

DEFINITIONS

“Ju Xin Fund”	上海聚源聚芯集成電路產業股權投資基金中心（有限合夥）(unofficial English translation being Shanghai Ju Yuan Ju Xin Integrated Circuit Industry Equity Investment Fund Centre (Limited Partnership)), a limited partnership incorporated in the PRC
“Latest Practicable Date”	5 December 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Megahunt”	Mega Hunt Microelectronics (Beijing) Limited（兆訊恒達微電子技術（北京）有限公司），a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of Megahunt HK
“Megahunt HK”	Mega Hunt Microelectronics Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Megahunt Share Option Scheme”	the share option scheme of Megahunt adopted by Megahunt, as amended (and if applicable, approved by the Shareholders) from time to time, the principal terms of which are set out in the circular of the Company dated 11 July 2018 and 6 June 2019
“Mr. Li”	Mr. Li Li, a director, the legal representative and the general manager of Megahunt, and a Grantee
“Mr. Liu”	Mr. Liu Zhan-li, the technology director of Megahunt, and a Grantee
“Mr. Xu CJ”	Mr. Xu Changjun, an executive Director, and a Grantee
“Mr. Xu WS”	Mr. Xu Wensheng, an executive Director, and a Grantee
“Mr. Yang”	Mr. Yang Lei, the deputy general manager of Megahunt, and a Grantee

DEFINITIONS

“Ms. Hui”	Ms. Hui Lok Yan, the group financial controller and a joint company secretary of the Company, a director of certain subsidiaries of the Company, and a Grantee
“Ms. Song”	Ms. Song Jie, a director and the financial controller of Megahunt, and a Grantee
“Option(s)”	the option(s) granted or to be granted to the eligible Participants under Megahunt Share Option Scheme
“Option Interests”	the equity interest of Megahunt to be held by the Grantees pursuant to the exercise of the Options
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Amendment”	the proposed amendment to the vesting period of the 2019 Options, as more particularly described under the paragraph headed “3. Amendment to the terms of the 2019 Options granted under Megahunt Share Option Scheme” in the Letter from the Board in this circular
“Registered Capital”	the registered capital of Megahunt from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 30 December 2019 at 11:00 a.m. (Hong Kong time)
“SGM Notice”	the notice convening the SGM, which is set out on pages SGM-1 to SGM-2 of this circular
“Share(s)”	share(s) of HK\$0.0025 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wonder Pax”	萬達百匯科技(深圳)有限公司 (unofficial English translation being Wonder Pax Technology (Shenzhen) Co., Ltd., a company incorporated in the PRC with limited liability)
“Vesting Day”	in respect of an Option granted to any Grantee, subject to the terms and conditions of Megahunt Share Option Scheme, the date on which the Option is vested on the Grantee and becomes exercisable by the Grantee
“Xin Lian Xin”	芯聯芯(平潭綜合實驗區)科技投資中心(有限合夥) (unofficial English translation being Xin Lian Xin (Pingtan Integrated Laboratory District) Technology Investment Centre (Limited Partnership)), a limited partnership incorporated in the PRC
“%”	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:

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

Independent non-executive Directors:

Mr. TAM Chun Fai
Mr. LEUNG Wai Man, Roger
Mr. CHANG Kai-Tzung, Richard

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business

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

10 December 2019

To the Shareholders

Dear Sir or Madam,

AMENDMENT TO THE TERMS OF THE 2019 OPTIONS GRANTED UNDER MEGAHUNT SHARE OPTION SCHEME

1. INTRODUCTION

Reference is made to the announcement of the Company dated 4 December 2019 relating to, among other matters, the Investment.

The purposes of this circular are to provide you with information regarding the resolution to be proposed at the SGM and to give you notice of the SGM. At the SGM, resolution relating to the amendment to the terms of the 2019 Options granted under the Megahunt Share Option Scheme will be proposed.

* *For identification purpose only*

LETTER FROM THE BOARD

2. MAJOR TERMS OF THE 2019 OPTIONS GRANTED PURSUANT TO THE MEGAHUNT SHARE OPTION SCHEME

On 3 June 2019, the Board of Megahunt resolved to conditionally grant 2019 Options to Mr. Li, Mr. Liu, Mr. Xu CJ, Mr. Xu WS, Mr. Yang, Ms. Hui and Ms. Song pursuant to the terms of Megahunt Share Option Scheme.

The Grantees

Mr. Li – a director, the legal representative and the general manager of Megahunt

Mr. Liu – the technology director of Megahunt

Mr. Xu CJ – an executive Director

Mr. Xu WS – an executive Director

Mr. Yang – the deputy general manager of Megahunt

Ms. Hui – the group financial controller and a joint secretary of the Company, and a director of certain subsidiaries of the Company

Ms. Song – a director and the financial controller of Megahunt

Amount of Enlarged Registered Capital subject to the 2019 Options

Grantees	Subscription price to be paid upon exercise of the 2019 Options <i>(RMB)</i>	Amount of Enlarged Registered Capital subject to the 2019 Options <i>(HK\$)</i>	Percentage of the Enlarged Registered Capital <i>(Approximate)</i>
Mr. Li	20,628,000	1,800,000	9.23%
Mr. Xu WS	8,595,000	750,000	3.85%
Mr. Xu CJ	7,735,500	675,000	3.46%
Mr. Liu	6,016,500	525,000	2.69%
Mr. Yang	6,016,500	525,000	2.69%
Ms. Hui	1,719,000	150,000	0.77%
Ms. Song	859,500	75,000	0.38%
Total:	51,570,000	4,500,000	23.08%

LETTER FROM THE BOARD

Vesting Day and Exercise Period of Options

50% and 50% of the 2019 Options granted to the Grantees shall be vested on the first and the second anniversary, respectively, from the Date of Grant (i.e., 50% on 3 June 2020 and 50% on 3 June 2021). The Grantees may exercise his or her 2019 Options within the Exercise Period, which shall be commencing from the respective Vesting Day and ending on (i) the tenth anniversary from the Date of Grant; or (ii) the date on which such 2019 Options cease to be valid, whichever is earlier.

3. AMENDMENT TO THE TERMS OF THE 2019 OPTIONS GRANTED UNDER MEGAHUNT SHARE OPTION SCHEME

Proposed Amendment

As at the Latest Practicable Date, the 2019 Options had not been vested to the Grantees. None of the 2019 Options had been exercised. Except for the 2019 Options, there was no other Options outstanding under the Megahunt Share Option Scheme.

The board of directors of the Company and Megahunt proposed to amend the vesting period of the 2019 Options granted to the Grantees where the 2019 Options shall be vested and become exercisable immediately.

According to the Proposed Amendment, the 2019 Options will not be subject to any vesting restriction and the Grantees can exercise all of the 2019 Options within the Exercise Period, which ends on (i) the tenth anniversary from the Date of Grant; or (ii) the date on which such 2019 Options cease to be valid, whichever is earlier.

Reasons for the Proposed Amendment

As disclosed in the Company's announcement dated 4 December 2019, after trading hours on 4 December 2019, Megahunt, Megahunt HK, the Company, the Grantees and the Investors entered into the Investment Agreement, pursuant to which the Investors have conditionally agreed to invest an aggregate amount of RMB80 million in Megahunt (out of which HK\$3,319,148 as Registered Capital and the remaining as capital reserve) for approximately 14.55% of the Registered Capital (as enlarged after completion of such Investment and the full exercise of the 2019 Options).

Pursuant to the Investment Agreement, one of the conditions precedent to the Investment is that all of the Grantees shall have exercised all the 2019 Options in full.

LETTER FROM THE BOARD

The Directors consider that the Investment is beneficial to the future development of Megahunt and the Directors intend to apply the proceeds from the Investment and the exercise of the 2019 Options in the aggregate amount of RMB131,570,000 as general working capital of Megahunt.

Therefore, upon request from Megahunt, the Grantees have agreed to accelerate the exercise of the 2019 Options in order to facilitate the completion of the Investment. In order to facilitate the exercise of the 2019 Options, the Board of Megahunt and the Board proposed to amend the vesting period of the 2019 Options, so that the 2019 Options can be vested and become exercisable immediately.

The Board (including all the independent non-executive Directors but excluding Mr. Xu CJ and Mr. Xu WS being also the Grantees) consider that the Proposed Amendment is in the interests of Megahunt, the Company and the Shareholders as a whole. The Board (including the independent non-executive Directors but excluding Mr. Xu CJ and Mr. Xu WS being also the Grantees) has approved the Proposed Amendment.

Shareholding structure of Megahunt

The shareholding structure of Megahunt (i) as at the Latest Practicable Date and (ii) upon the exercise of the 2019 Options by the Grantees in full and immediately before completion of the Investment and (iii) immediately after the completion of the Investment are as follows:

	As at the Latest Practicable Date	Upon exercise of the 2019 Options in full and immediately before completion of the Investment	Upon completion of the Investment
Megahunt HK	100%	76.92%	65.73%
Grantees	–	23.08%	19.72%
Mr. Li	–	9.23%	7.89%
Mr. Xu WS	–	3.85%	3.29%
Mr. Xu CJ	–	3.46%	2.95%
Mr. Liu	–	2.69%	2.30%
Mr. Yang	–	2.69%	2.30%
Ms. Hui	–	0.77%	0.66%
Ms. Song	–	0.38%	0.33%
Investors	–	–	14.55%
Ju Xin Fund	–	–	7.27%
Wonder Pax	–	–	3.64%
Xin Lian Xin	–	–	3.64%
Total	100%	100%	100%

LETTER FROM THE BOARD

4. SGM

According to note (2) of Rule 17.03 of the Listing Rules and rules of the Megahunt Share Option Scheme, any alterations to the terms and conditions of the Megahunt Share Option Scheme which are of a material nature must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Megahunt Share Option Scheme. Accordingly, the Proposed Amendment shall be approved by the Shareholders at the SGM and shall become effective on the date of the Shareholders passing the resolution to approve the same at the SGM.

The SGM Notice is set out on pages SGM-1 to SGM-2 of this circular. Ordinary resolution in respect of the approval for Proposed Amendment will be proposed at the SGM.

A form of proxy for use at the SGM 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 are able to attend the SGM, you are requested to complete the accompanying form of proxy and return it to the Company 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 by 11:00 a.m. on Saturday, 28 December 2019 (Hong Kong time) or not later than 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjourned meeting if they so wish.

Each of Mr. Li, Mr. Liu, Mr. Xu CJ, Mr. Xu WS, Mr. Yang, Ms. Hui and Ms. Song and their respective close associates (or associates if he/she is a connected person) ("**Interested Shareholders**"), shall abstain from voting at the SGM on the corresponding resolution approving the Proposed Amendment.

As at the Latest Practicable Date, Mr. Xu CJ was interested in 16,563,000 Shares and Mr. Xu WS is interested in 4,566,000 Shares. As at the Latest Practicable Date, save as Mr. Xu WS and Mr. Xu CJ, none of the Interested Shareholders is interested in any Shares.

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, save for the Interested Shareholders, no other Shareholder is required to abstain from voting under the Listing Rules on the ordinary resolutions contained in the SGM Notice.

LETTER FROM THE BOARD

Record date for determining eligibility to attend and vote

Record date (being the last date for registration of any share transfer given there will be no book closure) for determining the entitlement of the Shareholders to attend and vote at the SGM will be Monday, 30 December 2019. All transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 20 December 2019.

Voting by poll

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 administrative matter to be voted on by a show of hands. The chairman of the SGM will therefore demand a poll for the ordinary resolutions to be put to the vote at the SGM pursuant to Bye-law 66 of the By-laws and the Listing Rules. 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) after the SGM pursuant to the Listing Rules.

5. RECOMMENDATION

The Directors (including all the independent non-executive Directors but excluding Mr. Xu CJ and Mr. Xu WS who are the Grantees) consider that the Proposed Amendment is in the interests of Megahunt, the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolution in connection therewith to be proposed at the SGM.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By Order of the Board
Hi Sun Technology (China) Limited
Hui Lok Yan
Company Secretary

NOTICE OF SGM



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 (“**Meeting**”) of Hi Sun Technology (China) Limited (“**Company**”) will be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 30 December 2019 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

“**THAT** the proposed amendment (“**Proposed Amendment**”) on the vesting period of the options (“**2019 Options**”) granted to the grantees (“**Grantees**”) pursuant to the share option scheme of Mega Hunt Microelectronics (Beijing) Limited (a copy of which has been produced to this Meeting marked “A” and initialled by the chairman of the Meeting for the purpose of identification), details of which are set out in the circular of the Company dated 10 December 2019 (a copy of which has been produced to this Meeting marked “B” and initialled by the chairman of the Meeting for the purpose of identification), be and is hereby approved and the directors of the Company be and are hereby authorised to execute such documents and take such actions as they deem appropriate to implement, administer and give effect to the Proposed Amendment.”

By Order of the Board of Directors
Hi Sun Technology (China) Limited
Hui Lok Yan
Company Secretary

Hong Kong, 10 December 2019

* *For identification purpose only*

NOTICE OF SGM

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting (or any adjournment thereof) (“**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 return of the form of proxy will not preclude a member from attending and voting in person at the 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 by 11:00 a.m. on Saturday, 28 December 2019 (Hong Kong time) or not later 48 hours before the time appointed for holding any adjourned Meeting.
- (5) Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the Meeting will be Friday, 20 December 2019. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 20 December 2019.
- (6) All votings on the resolution in this notice by the members at the Meeting shall be conducted by poll.

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