
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 2007 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
AND
RE-ELECTION OF DIRECTORS**

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 Friday, 23 May 2008 at 10:30 a.m. is set out in the Annual Report 2007 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 2007 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. 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*

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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 2007 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 Friday, 23 May 2008 at 10:30 a.m.
“Annual Report 2007”	the annual report of the Company for the year ended 31 December 2007
“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, 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”	23 April 2008, 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 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
“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.

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

Mr. XU Wensheng

Mr. LI Wenjin

Mr. XU Chang Jun

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Mr. TAM Chun Fai

Mr. LEUNG Wai Man, Roger

Mr. XU Sitao

Head Office and Principal

Place of Business:

Room 2416, 24th Floor

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

28 April 2008

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS**

1. INTRODUCTION

At the Annual General Meeting to be held on Friday, 23 May 2008, 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 Wednesday, 30 May 2007 to issue Shares and to repurchase Shares will lapse at the conclusion of the Annual General Meeting; and (ii) to re-elect the retiring Directors.

* 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 and re-election of certain Directors as required under the Listing Rules and to seek your approval of the relevant Ordinary Resolutions 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 446,394,567 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 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, 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. 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. Tam Chun Fai and Mr. Leung Wai Man, Roger will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

Mr. Chan Yiu Kwong has resigned as executive Director with effects from 3 December 2007.

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

5. 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 Friday, 23 May 2008 at 10:30 a.m. is set out in the Annual Report 2007. 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 and the re-election of Directors.

6. ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with the Annual Report 2007. 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.

7. 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

LETTER FROM THE BOARD

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

8. FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed with the Annual Report 2007. 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 and 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 prevent Shareholders from attending and voting at the Annual General Meeting (or any adjourned meeting) if they so wish.

9. RECOMMENDATION

The Directors consider that the granting to the Directors of the Shares Issue Mandate, the Shares Repurchase Mandate and the re-election of Directors 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 in relation to the above matters as set out in the AGM Notice which is contained in the Annual Report 2007.

LETTER FROM THE BOARD

10. 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 made any statement in this circular misleading.

11. 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 2,231,972,835 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 223,197,284 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 2007). 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, through the interests of his associated companies, beneficially held 702,283,636 Shares, representing approximately 31.46% of the issued share capital of the Company. In the event that the Directors should exercise in full the Shares Repurchase Mandate assuming there has been no exercise of options granted under the Share Option Scheme, the shareholding of Mr. Kui Man Chun in the Company will be increased to approximately 34.96% 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>
2007		
April	2.4900	2.8500
May	1.9900	2.7300
June	2.2300	2.6200
July	2.2700	2.9300
August	1.6700	2.6800
September	2.0000	2.5300
October	1.9900	3.5000
November	2.4900	3.4000
December	2.2500	3.0200
2008		
January	1.8000	2.7200
February	1.7500	2.0500
March	0.9600	1.9000
1 April to the Latest Practicable Date	1.1000	1.1500

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

CHEUNG YUK FUNG

Mr. Cheung, aged 62, 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 honoured 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 2007, Mr. Cheung received no remuneration for acting as Director of the Company.

TAM CHUN FAI

Mr. Tam, aged 46, was appointed independent non-executive Director of the Company since May 2004. 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. He is currently the financial controller and company secretary of Beijing Enterprises Holdings Limited, a company listed on the Main Board of the Stock Exchange. Save as disclosed herein, Mr. Tam has not held any other directorships in listed public companies in the last three years.

Mr. Tam does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Tam 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 has not entered into a service agreement with the Company and there is no agreed term of his service. The director's fee for Mr. Tam is HK\$60,000 each year without any other emolument including bonus. His emoluments are determined by the Board with reference to his duties, responsibilities and the market conditions.

LEUNG WAI MAN, ROGER

Mr. Leung, aged 51, was appointed independent non-executive Director since September 2004. He graduated with a Bachelor's degree in Law and a Postgraduate Certificate in Laws from The University of Hong Kong. He also graduated with a Bachelor's degree in Law from the University of Western Ontario, Canada. Mr. Leung has been a practising solicitor in Hong Kong since 1984 and is a partner of the law firm, Foo, Leung & Yeung. He is also admitted as a solicitor in England and Wales and as a barrister, solicitor and notary public in Ontario, Canada. Mr. Leung has extensive working experience in law both in Hong Kong and in Canada. He has been serving as a member of the Inland Revenue Board of Review since 1997 and appointed as a China-appointed Attesting Officer since January 2003. Mr. Leung was an independent non-executive Director of Plus Holdings Limited, a listed company in Hong Kong from 19 June 2000 to 30 September 2004.

Mr. Leung does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Leung 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. Leung has not entered into a service agreement with the Company and there is no agreed term of his service. The director's fee for Mr. Leung is HK\$60,000 each year without any other emolument including bonus. His emoluments are 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 matter in relation to the retiring Directors who are subject to re-election at the AGM 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 matter which need to be brought to the attention of the Shareholders regarding the re-election of Directors.