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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 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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
AS A RESULT OF AN ISSUE OF CONVERTIBLE PREFERENCE SHARES
BY, AND A POSSIBLE TRANSFER OF FURTHER SHARES
IN, A SUBSIDIARY**

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**



A notice convening the SGM to be held at 10 a.m. on 25 January 2010 at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong is set out on pages 41 to 42 of this circular. Whether or not you are able to attend the SGM, you should read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same 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 and in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so wish.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Letter from the Independent Board Committee	21
Letter from Guangdong Securities	22
Appendix – General Information	37
Notice of SGM	41

DEFINITIONS

In this circular unless the context requires otherwise the following terms have the meanings set opposite them:

“2010 SBL Net Profit”	the audited consolidated net profit after taxation of the Success Bridge Group for the financial year ending 31 December 2010, (i) excluding any extraordinary exceptional, one-off or non-recurring gain or losses; and (ii) after sufficient provisions on receivables and other contingent liabilities as are deemed appropriate by the auditors and the management adopting a prudent approach, and (iii) excluding any accounting effect of signing of the Subscription Agreement and completion of the transactions contemplated thereunder, including without limitation the issue of the SBL Preference Shares and the transactions contemplated under the Shareholders Agreement (including without limitation any transfer, conversion or exchange of any SBL Preference Shares)
“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing WFOE”	北京高陽聖恩園信息技術有限公司 (Beijing Hi Sunray Information Technology Limited), a wholly foreign-owned enterprise established in the PRC wholly owned by Turbo Speed
“Board”	the board of Directors
“Business”	the provision of telecom value-added services and related services in the world (including software development and system maintenance and operation in relation to telecom value added service and the provision of telecom outsourcing service) and the businesses as the board of Success Bridge may duly resolve to carry on from time to time
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are open for business
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
“Completion”	completion of the Subscription Agreement

DEFINITIONS

“Directors”	the directors of the Company
“Exchange Price”	HK\$4.5 per Share, subject to adjustments
“Exchange Rights”	the rights of SBL Preference Shareholders (other than the Company) to require the Company to acquire all the SBL Preference Share and all SBL Ordinary Shares (that have arisen from the conversion of the SBL Preference Shares) then in issue and held by the SBL Preference Shareholders in consideration of the issue by the Company of new Shares, as described in the paragraph headed “(iii) Exchange Rights” in the section headed “Shareholders Agreement” in this circular
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan WFOE”	湖南高陽聯信息技術有限公司 (Hunan Hi Sun Mobile Pay IT Ltd.), a wholly foreign-owned enterprise in the PRC wholly-owned by Max Ascent
“Independent Shareholder”	Shareholders other than Hao Capital Fund II L.P. and Hao Capital China Fund L.P. and their respective associates
“Latest Practicable Date”	6 January 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Majority SB Preference Shareholder”	SBL Preference Shareholders in aggregate holding through their SBL Preference Shares more than 50% of the voting rights of SBL Preference Shares in issue on an as converted basis and the SBL Ordinary Shares that have arisen from the conversion of SBL Preference Shares
“Max Ascent”	Max Ascent Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Success Bridge
“Mega Peak”	Mega Peak Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Turbo Speed
“New SBL Securities”	shares of Success Bridge of any class, rights, options or warrants to subscribe any shares in the share capital of Success Bridge, or securities or any type whatsoever that are or may become convertible into or exchangeable for any shares in the share capital of Success Bridge, other than (a) any shares issued pursuant to the anti-dilution provisions in the Shareholders Agreement, (b) any SBL Ordinary Shares issued or to be issued upon conversion of SBL Preference Shares, (c) any SBL Ordinary Shares (or options, warrants or rights therefor) granted or issued pursuant to an employee share option scheme of Success Bridge, (d) any SBL Shares issued in connection with the acquisition of a business, company or entity by Success Bridge duly approved in writing by Majority SBL Preference Shareholders, (e) any shares issued in connection with any share split, share dividend or distribution, (f) any securities offered pursuant to a Qualified IPO, (g) any shares when issued would, when aggregated with all other shares issued after the first issue of the SBL Preference Shares, be less than 20% of the shares in issue on the date of first issue of the SBL Preference Shares and provided that such share are issued at a price per share not less than 1.3 times the Subscriber’s original Subscription Price per SBL Preference Share, for the sole purpose of raising working capital of Success Bridge, and duly approved in writing by Majority SBL Preference Shareholders

DEFINITIONS

“Qualified IPO”	means a firm commitment underwritten initial public offering of (i) SBL Ordinary Shares or (ii) (A) shares in the holding company of Success Bridge (except for the Company, the shares in which are already listed on the Stock Exchange) or (B) shares in such company holding the Business, in each case of (A) and (B) through a restructuring of Success Bridge, on a recognised stock exchange (as defined in the Shareholders Agreement) at a price per SBL Ordinary Share that values Success Bridge at no less than US\$2 billion immediately prior to such public offering
“PRC”	People’s Republic of China
“Reorganisation”	means the alteration of share capital of Success Bridge and the alteration of the shareholding structure of each of the Target Companies, and other arrangements or actions to be taken, pursuant to the Subscription Agreement
“SBL Ordinary Shares”	the ordinary share(s) of US\$0.001 each in the share capital of Success Bridge
“SBL Ordinary Shareholder”	holder(s) of SBL Ordinary Shares (other than a holder of SBL Ordinary Shares that have arisen on conversion of the SBL Preference Shares)
“SBL Preference Shares”	the convertible preference share(s) of US\$0.001 each to be created in the share capital of Success Bridge
“SBL Preference Shareholder”	holder(s) of SBL Preference Shares or SBL Ordinary Shares that have arisen from the conversion of the SBL Preference Shares, other than the Company
“SBL Shares”	SBL Ordinary Shares and SBL Preference Shares
“SFO”	Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened on 25 January 2010 to consider, and if thought fit, approve the transactions contemplated under the Subscription Agreement
“Shareholders”	holders of the Shares
“Shareholders Agreement”	the shareholders agreement to be entered into amongst the Company, the Subscriber and Success Bridge upon Completion

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.0025 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Wise World Group Limited, a company incorporated in the British Virgin Islands with limited liability, and is wholly-owned by Hao Capital Fund II L.P.
“Subscription”	the subscription of the 600 SBL Preference Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 24 December 2009 and entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	aggregate subscription price of US\$60 million (equivalent to approximately HK\$465 million) for the 600 SBL Preference Shares pursuant to the Subscription Agreement
“Success Bridge”	Success Bridge Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Success Bridge Group”	Success Bridge and its subsidiaries from time to time (including the Target Companies)
“Target Companies”	Turbo Speed, Beijing WFOE, Max Ascent, Hunan WFOE and Mega Peak
“Turbo Speed”	Turbo Speed Technology Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Success Bridge
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

Unless the context requires otherwise, translation of US\$ into HK\$ are made in this circular, for illustration purpose only, at the rate of US\$1.00 = HK\$7.7553. No representation is made that any amount in US\$ has been or could be converted at the above rates, or at any other rates or at all.

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

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

Non-executive Directors:

Mr. Yang Lei, Raymond

Mr. Chang Kai-Tzung, Richard

*Head office and principal place
of business in Hong Kong:*

Room 2416, 24th Floor

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

Independent Non-Executive Directors:

Mr. Tam Chun Fai

Mr. Xu Sitao

Mr. Leung Wai Man, Roger

8 January 2010

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
AS A RESULT OF ISSUE OF CONVERTIBLE PREFERENCE SHARES
BY, AND A POSSIBLE TRANSFER OF FURTHER SHARES
IN, A SUBSIDIARY**

INTRODUCTION

The Company stated in its announcement dated 30 December 2009 that on 24 December 2009, the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Company agreed to procure the issue and allotment by Success Bridge of, and the Subscriber agreed to subscribe for, the 600 SBL Preference Shares at a total Subscription Price

* *For identification purpose only*

LETTER FROM THE BOARD

of US\$60 million (equivalent to approximately HK\$465 million). The SBL Preference Shares are convertible into the SBL Ordinary Shares on the basis of one SBL Preference Share into one SBL Ordinary Share (subject to adjustments).

Pursuant to the Shareholders Agreement which will be entered into between the Company, the Subscriber and Success Bridge on Completion, the Company will agree to grant the Exchange Rights to SBL Preference Shareholders (other than the Company) to, within a prescribed time frame, transfer to the Company all (but not some only) SBL Preference Shares together with all SBL Ordinary Shares (that have arisen from the conversion of the SBL Preference Shares) then in issue and held by such SBL Preference Shareholders in consideration of the issue of new Shares at the initial Exchange Price of HK\$4.5 per Share (subject to adjustments). The Company will also agree to (i) the Ratchet Disposal, pursuant to which the Company will transfer to the SBL Preference Shareholders the Additional Shares (as defined below) if the 2010 SBL Net Profit is less than RMB450,000,000 and (ii) the Ratchet Acquisition, pursuant to which the SBL Preference Shareholders will transfer to the Company the Return Shares (as defined below) if the 2010 SBL Net Profit is RMB500,000,000 or more. **Shareholders and potential investors in the Company should note that there is no assurance that the 2010 SBL Net Profit will reach any of such amounts or that Success Bridge will record any profits for the year 2010.**

The purpose of this circular is to, among other things, (i) provide you with further details of the transactions contemplated under the Subscription Agreement (including the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights); (ii) set out the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) set out the letter of advice from Guangdong Securities containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders; and (iv) set out a notice of the SGM.

SUBSCRIPTION AGREEMENT

Date: 24 December 2009

Parties: the Company
the Subscriber

The Subscription: Pursuant to the Subscription Agreement, the Company shall procure Success Bridge, a wholly-owned subsidiary of the Company, to issue to the Subscriber 600 SBL Preference Shares, which represent 6.0% of the issued share capital of Success Bridge as enlarged by the Subscription, for a total consideration of US\$60 million (approximately HK\$465 million at the pre-agreed exchange rate of US\$1: HK\$7.7553).

LETTER FROM THE BOARD

The Subscription Price was arrived after arm's length negotiation between the Company and the Subscriber with reference to various factors including the current financial position, the historical financial performance and business prospect of the Target Companies.

Rights of the SBL

Preference Shares:

As regards income

The holder of SBL Preference Shares will be entitled to receive out of any funds legally available therefor, non-cumulative dividends at the rate equal to the dividends which would be declared and paid on each SBL Ordinary Share on an as-if-converted basis, at the same time as are paid with respect to SBL Ordinary Shares. No dividend or distribution shall be paid on any SBL Ordinary Shares or shares of any other class or series in Success Bridge unless and until all accrued and unpaid dividend payable on the SBL Preference Shares have been paid in full (calculated on an as-if-converted basis).

In the event that Success Bridge makes or issues a dividend or other distribution with respect to the SBL Ordinary Shares or share of any other class or series in Success Bridge payable in (i) securities of Success Bridge other than SBL Ordinary Shares, or (ii) assets, then and in each such event the holders of SBL Preference Shares shall receive, before such distribution is made with respect to SBL Ordinary Shares, the number of securities or such other assets of Success Bridge which they would have received had their SBL Preference Shares been converted into SBL Ordinary Shares or shares of any other class or series in Success Bridge immediately prior to the record date of such distribution.

LETTER FROM THE BOARD

As regards capital

In the event of (i) any return of capital, liquidation, dissolution or winding up of Success Bridge, either voluntary or involuntary, or (ii) a sale of all or substantially all of Success Bridge's assets, holders of SBL Preference Shares shall rank in priority to any other class of shares in Success Bridge and shall be entitled to receive in cash, an amount per SBL Preference Share equal to 150% of the Subscription Price per SBL Preference Share and all accrued or declared but unpaid dividend thereon (the "SBL Preference Amount"). Following the distribution of the SBL Preference Amount in full, any remaining assets of Success Bridge legally available for distribution shall be distributed pro rata among holders of SBL Preference Shares (on an as-if-converted basis) together with holders of SBL Ordinary Shares. If the assets lawfully available for distribution among the holders of SBL Preference Shares shall be insufficient to permit the payment in full of the SBL Preference Amount, the entire assets of Success Bridge shall be distributed rateably to the holders of SBL Preference Shares in proportion to the SBL Preference Amount each such holder would otherwise be entitled to receive.

LETTER FROM THE BOARD

As regards conversion

- (i) At any time from the issue date until the date which a Qualified IPO becoming fully unconditional, SBL Preference Shares are convertible into SBL Ordinary Shares at the conversion ratio of 1:1, which ratio will be adjusted on consolidation/sub-division of SBL Ordinary Shares.

- (ii) At any time from the issue date until the date which a Qualified IPO becoming fully unconditional, if Success Bridge issues any shares or any equity securities convertible into shares in Success Bridge for an issue price less than US\$100,000 per share (being the Subscriber's original Subscription Price per SBL Preference Share), the Company shall issue additional SBL Preference Shares to the SBL Preference Shareholders in accordance with the Shareholders Agreement, as described in the paragraph headed "Anti-dilution protection" below.

As regards voting rights

Holders of SBL Preference Shares shall be entitled to full voting rights at general meetings of Success Bridge carrying the number of votes on an as converted basis. Except in relation to any resolution which if passed would abrogate or vary the rights or preferences attached to any SBL Preference Shares which SBL Preference Shareholders shall be entitled to vote as a separate class at a general meeting of Success Bridge, holders of SBL Preference Shares and SBL Ordinary Shares shall vote together as a single class.

LETTER FROM THE BOARD

Conditions precedent:

Completion is conditional upon, among other things:

- (i) the Reorganisation having been completed;
- (ii) the Company and each of the Target Companies having obtained or procured to be obtained all approvals, consents and qualification (including but not limited to any Shareholder approval as required by the Listing Rules) necessary for it to undertake the transaction to be undertaken by it as contemplated by the Subscription Agreement and the Shareholders Agreement;
- (iii) the Stock Exchange having granted the listing of, and the permission to deal in the Shares that may be allotted and issued upon the exercise of the Exchange Rights;
- (iv) the adoption of the memorandum and articles of association of Success Bridge providing for, among other things, the rights, preferences and privileges of the SBL Preference Shares;
- (v) the warranties contained in the Subscription Agreement being true and accurate on and as at Completion; and
- (vi) there shall not have occurred any event or circumstance resulting, or which could reasonably be expected to result, in a material adverse effect (as defined in the Subscription Agreement).

Completion:

Completion shall take place on the third Business Day following the day on which the last condition to the Subscription Agreement has been satisfied or waived, or such other date as the parties to the Subscription Agreement may agree in writing, provided that Completion shall occur not later than sixty days after the date of the Subscription Agreement.

LETTER FROM THE BOARD

SHAREHOLDERS AGREEMENT

On Completion, the Company is required to enter into the Shareholders Agreement with the Subscriber and Success Bridge which sets out the rights and obligations of the shareholders of Success Bridge, and includes the following provisions:

(i) *Board composition*

The board of Success Bridge shall consist of three directors. So long as the SBL Preference Shareholders hold in aggregate not less than 5% of the SBL Preference Shares in issue immediately upon Completion (or an equivalent number of SBL Ordinary Shares that have arisen from the conversion of the SBL Preference Shares), the Majority SBL Preference Shareholders will have one board seat in Success Bridge and each of Success Bridge's subsidiaries with prior written notice to Success Bridge.

So long as the Company remains directly or indirectly the single largest shareholder of the SBL Shares, it will have two board seats in Success Bridge and any of Success Bridge's subsidiaries as it may specify from time to time (or a simple majority on the number of directors if there are at any time more than three directors on the board of the relevant company).

(ii) *Ratchet Disposal and Ratchet Acquisition*

If the 2010 SBL Net Profit is less than RMB450,000,000, the Company shall transfer to the SBL Preference Shareholders such number of SBL Ordinary Shares ("Additional Shares") equal to up to 3% of the aggregate number of SBL Shares in issue as at Completion at an aggregate consideration of HK\$1.00 (the "Ratchet Disposal").

The number of Additional Shares is to be determined as follows:

2010 SBL Net profit	Additional Shares
less than RMB375,000,000	3%
RMB375,000,000 or more but less than RMB400,000,000	2%
RMB400,000,000 or more but less than RMB450,000,000	1%

On completion of the transfer of the Additional Shares, such Additional Shares (being SBL Ordinary Shares) shall be re-designated into SBL Preference Shares on a one-to-one basis.

If the 2010 SBL Net Profit is RMB500,000,000 or more, the SBL Preference Shareholders shall transfer to the Company such number of SBL Preference Shares and/or SBL Ordinary Shares ("Return Shares") equal to up to 2% of the aggregate number of SBL Shares in issue as at Completion at an aggregate consideration of HK\$1.00 (the "Ratchet Acquisition"). The number of Return Shares is to be determined as follows:

2010 Net profit	Return Shares
RMB500,000,000 or more but less than RMB550,000,000	1%
RMB550,000,000 or more	2%

LETTER FROM THE BOARD

If the 2010 SBL Net Profit is RMB450,000,000 or more but less than RMB500,000,000, then no Additional Shares shall be transferred to or Return Shares shall be transferred from the SBL Preference Shareholders.

There will be no Ratchet Disposal or Ratchet Acquisition if (a) the volume weighted average price of a Share exceeds HK\$4.5 for a period of thirty consecutive trading days during the period from (and including) the day falling nine months immediately following the date of Completion up to (and excluding) the day falling on the second anniversary of the date of Completion or (b) the SBL Preference Shareholders cease to hold or own any SBL Shares as a result of transfer of such SBL Shares to the Company on their exercise of the Exchange Rights and such transfer has been completed.

The targets for the 2010 SBL Net Profit which trigger the Ratchet Disposal and Ratchet Acquisition resulted from arms length negotiations between the Subscriber and the Company, as incentives to drive the future performance of Success Bridge. The Directors consider the terms of the Ratchet Disposal and Ratchet Acquisition to be fair and reasonable, having regard to the fact that in return for US\$60 million investment in Success Bridge, the Company would only have to part with a minimum of 1% and a maximum of 3% additional equity interests in Success Bridge under the Ratchet Disposal.

Shareholders and potential investors in the Company should note that there is no assurance that the 2010 SBL Net Profit will reach any of such amounts or that Success Bridge will record any profits for the year 2010.

(iii) Exchange Rights

At any time during a period from (and including) the day falling nine months after the date of the first issue of the SBL Preference Shares to (and excluding) the date falling on the third anniversary thereof and subject to the number of SBL Preference Shares then outstanding exceeding 50% in number of the aggregate number of such SBL Preference Shares and SBL Ordinary Shares (that have arisen on the conversion of the SBL Preference Shares) in issue, the Majority SBL Preference Shareholders may, at their sole option, require the Company to acquire all SBL Preference Shares and SBL Ordinary Shares (that have arisen from the conversion of the SBL Preference Shares) then in issue and held by the SBL Preference Shareholders (other than the Company) in consideration of the issue to each SBL Preference Shareholder and/or the person(s) (not being a connected person of the Company) designated by it of such number of new Shares to be calculated by US\$60 million (or its HK\$ equivalent calculated at the exchange rate of US\$1: HK\$7.7553) divided by the Exchange Price. The initial Exchange Price is HK\$4.5 per Share (subject to adjustments). The Exchange Price will be adjusted:

- (a) on consolidation/sub-division of the Shares;
- (b) on issue of new Shares by way of rights or the grant to all Shareholders of any options or warrants to subscribe for new Shares, at a price per new Share less than 90% of the then market price of the Shares; or

LETTER FROM THE BOARD

- (c) on issue of any Shares at any time after the first issue of the SBL Preference Shares but before expiry of nine calendar months thereafter (other than any issue pursuant to the exercise of the Exchange Rights by SBL Preference Shareholders or subscription rights attaching to options granted before Completion pursuant to the Company's share option scheme adopted on 29 November 2001) at a price per Share ("Alternative Price") less than the then prevailing Exchange Price, to the Alternative Price.

The Company will comply with the applicable requirements under the Listing Rules if and when the Exchange Price (and thus the number of Shares to be issued on exercise of the Exercise Rights) is adjusted.

The initial Exchange Price:

- (i) represents a premium of approximately 12.50% over the closing price of HK\$4.00 per Share quoted on the Stock Exchange on 24 December 2009, being the last trading day prior to the suspension of trading in the Shares on the Stock Exchange pending the release of the Company's announcement dated 30 December 2009;
- (ii) represents a premium of approximately 15.33% over the average closing price of HK\$3.90 per Share over the last 5 trading days up to and including 24 December 2009; and
- (iii) equals to the closing price of HK\$4.50 per Share on the Latest Practicable Date.

The Exchange Price was arrived at after arms length negotiation between the parties with reference to the prevailing market price of the Shares. The Directors consider that the Exchange Price of HK\$4.5 per Share is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the SBL Preference Shares are fully exchanged into the Shares at the initial Exchange Price of HK\$4.5 per Share, a total of 103,404,000 Shares will be issued representing approximately 3.87% and 3.72% of the number issued Shares as at the Latest Practicable Date and of such number of issued Shares as enlarged by the issue of such new Shares on the exercise in full of the Exchange Rights respectively.

The new Shares to be issued on exercise of the Exchange Rights will be issued under a specific mandate to be approved by the Independent Shareholders at the SGM.

(iv) Anti-dilution protection

If Success Bridge issues any New SBL Securities the effective issue price attributable to each share being less than the Subscriber's original Subscription Price per SBL Preference Share, the Company shall issue such number of additional SBL Preference Shares to make up any shortfall in SBL Preference Shares then held had the investment in those SBL Preference Shares been at that lower price.

LETTER FROM THE BOARD

In the event of any return of capital, issue of New SBL Securities or other securities of Success Bridge by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for, or as an alternative to, a cash dividend which is available to the SBL Preference Shareholders), any consolidation or sub-division or any repurchase or redemption of SBL Shares (other than SBL Preference Shares), or any variation in the subscription price or conversion rate applicable to any other outstanding shares of Success Bridge otherwise than pursuant to the terms of issue of such shares, the rate at which each SBL Preference Share may be converted into SBL Ordinary Shares shall also be subject to adjustment as may be agreed by Success Bridge and the SBL Preference Shareholders (after taking into consideration the anti-dilution provisions above) or determined by auditors of Success Bridge. The Company will comply with the applicable requirements under the Listing Rules if and when such conversion ratio is adjusted.

(v) Non-competition Undertaking

The Company will give undertaking to Success Bridge and the SBL Preference Shareholders, so long as it (or any of its affiliates (as defined the Shareholders Agreement)) is beneficially interested in any share in Success Bridge and for a period of one year after it ceases to be beneficially interest in any shares of Success Bridge, not to, and to procure its affiliates (as defined in the Shareholders Agreement) not to, engage in any business competing with the Business on a world-wide basis.

(vi) Transfer of shares of Success Bridge

The Shareholders Agreement contains provisions which are often found in agreements of this nature which includes right of first offer to SBL Preference Shareholders on issue of New SBL Securities, right of first refusal in the event of any transfer by any shareholder of Success Bridge and co-sale rights for the SBL Preference Shareholders in the event of any transfer of SBL Ordinary Shares by a SBL Ordinary Shareholder to a third party.

(vii) Moratorium

Neither the Company nor any person holding options to purchase SBL Ordinary Shares pursuant to an employee share option scheme of Success Bridge shall transfer any securities of Success Bridge (other than transfer by the Company to its wholly-owned subsidiaries) at any time prior to the fourth (4th) anniversary of the date of Completion without the prior written consent of the Majority SBL Preference Shareholders.

APPLICATION FOR LISTING

The SBL Preference Shares will not be listed on any stock exchange. No application will be made for the listing of the SBL Preference Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares that may be allotted and issued upon the exercise of the Exchange Rights.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE SUBSCRIPTION, THE RATCHET DISPOSAL AND THE RATCHET ACQUISITION ON THE GROUP

The Directors are of the view that under the current accounting standards:

- (i) upon Completion, no gain or loss to the Group will be recorded. Instead, the consideration of the Subscription will be booked as financial liability and equity components;
- (ii) upon the completion of either the Ratchet Disposal or the Ratchet Acquisition, no gain or loss to the Group will be recorded;
- (iii) should all SBL Preference Shares be converted into SBL Ordinary Shares, upon completion of such conversion, a deemed disposal will be recorded, which will be calculated with reference to the Company's interest in Success Bridge based on the then audited net assets value of Success Bridge as compared to the Subscription Price. In addition, as the deemed disposal arising from the Subscription and the Ratchet Disposal do not result in a loss of control, these would be accounted for as an equity transaction and would not lead to any gain or loss to the Group; and
- (iv) if the Exchange Rights are exercised in full, no gain or loss to the Group will be recorded.

Immediately after Completion, the Company's interest in the issued ordinary share capital of Success Bridge will remain as 100%. Assuming that all SBL Preference Shares are converted into SBL Ordinary Shares, the Company's interest in the issued ordinary share capital of Success Bridge will immediately upon such conversion be reduced from 100% to 94%, or (if the 2010 SBL Net Profit is less than RMB375,000,000 and the Ratchet Disposal has taken place) 91%, or (if the 2010 SBL Net Profit is RMB550,000,000 or more and the Ratchet Acquisition has taken place) 96%. Assuming the SBL Preference Shareholders exercise the Exchange Rights in full, the Company's interest in the issued ordinary share capital in Success Bridge will remain as 100%. Under each scenario, Success Bridge will remain as a subsidiary of the Company.

Nevertheless, Shareholders should note that the exact financial effect of (i) the deemed disposal as a result of the Subscription and the Ratchet Disposal and (ii) the Ratchet Acquisition to the Group is subject to the Company's auditors' review and approval.

INFORMATION OF THE GROUP AND THE TARGET COMPANIES

The Company is an investment holding company and its subsidiaries are principally engaged in the sales of electronic payment products and services, sales of electronic power meters and solutions, provision of telecommunication solutions and value-added services, provision of financial solutions, services and related products and provision of payment solutions and services.

LETTER FROM THE BOARD

Success Bridge, a wholly owned subsidiary of the Company, is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Success Bridge directly and indirectly holds the Target Companies, further information relating to which is set out below.

Turbo Speed, a wholly owned subsidiary of Success Bridge, is a company incorporated in the British Virgin Islands with limited liability. It is an investment holding company holding (i) 100% equity interest in Mega Peak, an investment holding company, and (ii) 100% equity interest in Beijing WFOE, which is a wholly foreign owned enterprise in the PRC principally engaged in the provision of telecommunication solutions and operation value-added services in the PRC.

Based on the audited consolidated financial statements of Turbo Speed, which are prepared in accordance with accounting principles generally accepted in Hong Kong, the consolidated turnover and net profit (before and after taxation) for the two years ended 31 December 2008 are as follows:

	For the year ended	
	31 December	
	2007	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	213,038	251,028
Net profit before taxation	116,422	125,575
Net profit after taxation	101,223	94,348

The unaudited consolidated net asset value of Turbo Speed as at 30 November 2009 is approximately HK\$270,609,000.

Max Ascent, a wholly owned subsidiary of Success Bridge, is a company incorporated in Hong Kong with limited liability on 15 January 2009. It is an investment holding company, the sole investment of which is its ownership of the 100% equity interest in Hunan WFOE. The Hunan WFOE is a wholly-foreign-owned enterprise established in the PRC on 11 March 2009 principally engaged in the provision of mobile payment solutions and services in the PRC. Based on the unaudited consolidated financial statements of Max Ascent, which are prepared in accordance with the accounting principles generally accepted in Hong Kong, the consolidated net loss for the period from its incorporation to 30 November 2009 is approximately HK\$36,377,000.

The unaudited consolidated net liability of Max Ascent as at 30 November 2009 is approximately HK\$36,485,000.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, there are 2,673,429,835 Shares in issue. The table below sets out the shareholding structure of the Company (i) at the Latest Practicable Date; and (ii) immediately after the exchange in full of the SBL Preference shares into Shares at the initial Exchange Price of HK\$4.5 assuming that there is no other changes to the share capital of or holding in the Company from the Latest Practicable Date to the date of such exchange.

Shareholders	As at the Latest Practicable Date		Immediately after exercise of the Exchange Rights in full at the initial Exchange Price of HK\$4.5	
		%		%
Mr. Kui Man Chun (<i>Note 1</i>)	642,283,636	24.02	642,283,636	23.13
Directors other than				
Mr. Kui Man Chun (<i>Note 2</i>)	30,566,000	1.14	30,566,000	1.10
The Subscriber and its associates (<i>Note 3</i>)	36,267,618	1.36	139,671,618	5.03
Other public shareholders	<u>1,964,312,581</u>	<u>73.48</u>	<u>1,964,312,581</u>	<u>70.74</u>
Total	<u>2,673,429,835</u>	<u>100</u>	<u>2,776,833,835</u>	<u>100</u>

Notes:

- (1) 617,083,636 Shares are held by Rich Global Limited is wholly owned by Hi Sun Limited, which is in turn held as to 99.16% by Mr. Kui Man Chun, a Director of the Company.
- (2) Each of Mr. Li Wenjin, Mr. Xu Chang Jun, Mr. Xu Sitao and Mr. Xu Wensheng holds 6,400,000, 18,900,000, 700,000 and 4,566,000 Shares respectively.
- (3) The Company has been informed that as at the Latest Practicable Date, each of the Subscriber and its beneficial owner, Hao Capital Fund II L.P., does not hold any Shares. However, Hao Capital China Fund L.P., being a fund under the same control as Hao Capital Fund II L.P., through its wholly-owned subsidiary, is interested in 36,267,618 Shares as at the Latest Practicable Date.

REASONS FOR THE SUBSCRIPTION AND PROPOSED USE OF PROCEEDS

The Directors consider that the Subscription represent an opportunity to raise capital for Success Bridge to provide additional funding to the Success Bridge's business. The Directors (excluding the independent non-executive directors whose views are set out in the letter from the Independent Board Committee set out on page 21 of this circular) consider that the terms of the Subscription Agreement (including but not limited to the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the Exchange Rights), which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties involved, to be fair and reasonable, and that the transactions contemplated under the Subscription Agreement (including but not limited to the entering into of the Shareholders Agreement, the Exchange Rights, the Ratchet Disposal and the Ratchet Acquisition) are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The aggregate gross and net proceeds (after deducting the estimated expenses incurred in relation to the Subscription) to be raised from the Subscription are estimated to amount to HK\$465 million and approximately HK\$463 million, respectively.

The aggregate net proceeds from the Subscription of approximately HK\$463 million will be utilized as to approximately HK\$200 million for the development of 3G mobile value-added solutions and services; and approximately HK\$200 million for the development of wireless payment operation services in the PRC; and the remaining balance as general working capital of the Success Bridge Group.

GENERAL

Immediately upon Completion, the Subscription will result in a reduction of the effective percentage equity interest of the Company in Success Bridge from 100% to 94% and therefore constitute a deemed disposal of the Company's interest in Success Bridge pursuant to Rule 14.29 of the Listing Rules. If the Company is required to transfer a maximum percentage (3%) of the Additional Shares pursuant to the Ratchet Disposal under the Shareholders Agreement, the Company's interest in Success Bridge will be reduced further down to 91%. The Ratchet Disposal (when aggregated with the deemed disposal of the Company's interest in Success Bridge as a result of the issue of the SBL Preference Shares) will constitute a discloseable transaction of the Company. The purchase of SBL Shares on the exercise of the Exchange Rights may also constitute a discloseable transaction of the Company, for example, if the Subscriber has then acquired 9% equity interest in Success Bridge through the Subscription and the Ratchet Disposal.

The Subscriber is an investment holding company wholly owned by Hao Capital Fund II L.P., Hao Capital Fund II L.P. and Hao Capital China Fund L.P. (being funds under common control) through their wholly-owned subsidiaries are currently substantial shareholders of the Company's non-wholly owned subsidiary, PAX Technology Limited. Accordingly, each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights will constitute a connected transaction of the Company, and is subject to reporting, announcement and Independent Shareholders approval requirements under Chapter 14A of the Listing Rules. The Company has been informed that Hao Capital China Fund L.P., through its wholly-owned subsidiary, is interested in 36,267,618 Shares as at the Latest Practicable Date. Each of Hao Capital Fund II L.P. and Hao Capital China Fund L.P. and their respective associates is required to abstain from voting on the ordinary resolution approving the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights.

New Shares to be issued on the exercise of the Exchange Rights will be issued under a specific mandate to be put forward for the Shareholders' approval at the special general meeting.

LETTER FROM THE BOARD

SGM

A notice convening the SGM to be held at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 25 January 2010 at 10 a.m., is set out from pages 41 to 42 of this circular.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the principal place of business of the Company at Room 2416, 24/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding the SGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM, or any adjournment thereof, should you so wish.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 21 of this circular which contains its recommendation to the Independent Shareholders in relation to the transactions contemplated under the Subscription Agreement (including but not limited to the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights). Your attention is also drawn to the letter of advice from Guangdong Securities set out from pages 22 to 36 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders and the principal factors and reasons taken into account in arriving at its recommendation.

The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee) consider that the terms of the Subscription Agreement and the transactions contemplated thereunder (including not but limited to the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exercise Rights) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the other information set out in this circular and the appendices to it.

For and on behalf of the Board
Hi Sun Technology (China) Limited
Li Wenjin
Executive Director



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

8 January 2010

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
AS RESULT OF ISSUE OF CONVERTIBLE PREFERENCE SHARES
BY, AND A POSSIBLE FURTHER TRANSFER OF FURTHER SHARES
IN, A SUBSIDIARY**

We refer to the circular dated 8 January 2010 of the Company (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to advise the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder (including not but limited to the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exercise Rights), details of which are set out in the “Letter from the Board” in the Circular.

Having taken into account the letter of advice from the Independent Financial Adviser as included in the Circular, we consider that the terms of the Subscription Agreement and the transactions contemplated thereunder (including not but limited to the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exercise Rights) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the SGM to approve the transactions contemplated under the Subscription Agreement (including not but limited to the Subscription, the Ratchet Disposal, the Ratchet Acquisition and the purchase of SBL Shares and issue of new Shares on exercise of the Exercise Rights).

Yours faithfully,
Independent Board Committee

Mr. Tam Chu Fai

Mr. Leung Wai Man, Roger

Mr. Xu Sitao

Independent Non-Executive Directors

* For identification purpose only

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Subscription Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

8 January 2010

*To: The independent board committee and the independent shareholders
of Hi Sun Technology (China) Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Subscription Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 8 January 2010 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 24 December 2009, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to procure Success Bridge (a wholly-owned subsidiary of the Company, which directly and indirectly holds all the Company's interests in the Target Companies) to issue 600 SBL Preference Shares at the Subscription Price of US\$60 million.

On Completion, the Company is required to enter into the Shareholders Agreement with the Subscriber and Success Bridge, which sets out the rights and obligations of the shareholders of Success Bridge, including but not limited to those related to the Ratchet Disposal, the Ratchet Acquisition and the Exchange Rights.

As referred to in the Board Letter, upon Completion, the Subscription will result in a reduction of the effective percentage equity interest of the Company in Success Bridge from 100% to 94%. Therefore, the Subscription constitutes a deemed disposal of the Company's interest in Success Bridge (the “**Deemed Disposal**”) under the Listing Rules. In addition, in the event that the Company is required to transfer a maximum percentage (i.e. 3%) of the

LETTER FROM GUANGDONG SECURITIES

Additional Shares pursuant to the Ratchet Disposal under the Shareholders Agreement, the Company's interest in Success Bridge will be reduced further down to 91%. The Ratchet Disposal (when aggregated with the Deemed Disposal) will constitute a discloseable transaction for the Company under the Listing Rules. The purchase of SBL Shares on the exercise of the Exchange Rights may also constitute a discloseable transaction for the Company, for example, if the Subscriber has then acquired 9% equity interest in Success Bridge through the Subscription and the Ratchet Disposal.

The Subscriber is an investment holding company wholly-owned by Hao Capital Fund II L.P., Hao Capital Fund II L.P. and Hao Capital China Fund L.P. (being funds under common control), through their wholly-owned subsidiaries, are currently the substantial shareholders (as defined under the Listing Rules) of the Company's non wholly-owned subsidiary, PAX Technology Limited. Accordingly, each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition, and the purchase of SBL Shares and issue of new Shares upon the exercise of the Exchange Rights constitute or will constitute (as the case may be) a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Each of Hao Capital Fund II L.P., Hao Capital China Fund L.P. and their respective associates is required to abstain from voting on resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder at the SGM.

An Independent Board Committee comprising Mr. Tam Chun Fai, Mr. Xu Sitao and Mr. Leung Wai Man, Roger (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition, and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in all these respects.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been

LETTER FROM GUANGDONG SECURITIES

withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Subscriber, Success Bridge, Turbo Speed, Beijing WFOE, Max Ascent, Mega Peak, Hunan WFOE, Hao Capital Fund II L.P. and Hao Capital China Fund L.P. or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition, and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

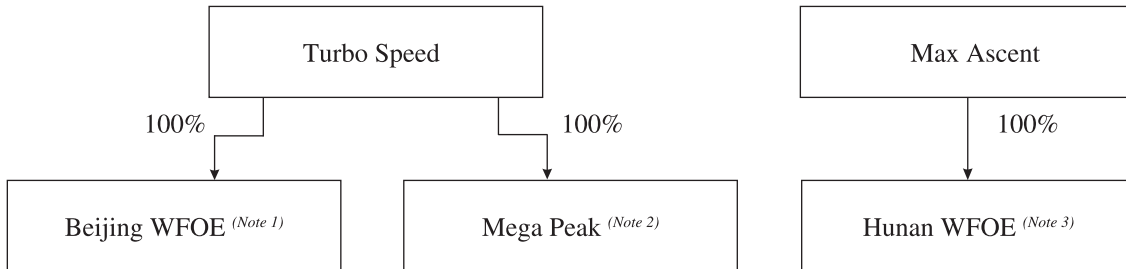
In arriving at our opinion in respect of the Subscription Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

(1) Background of and reasons for the Subscription

On 24 December 2009, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to procure Success Bridge (a wholly-owned subsidiary of the Company, which directly and indirectly holds all the Company's interests in the Target Companies) to issue 600 SBL Preference Shares at the Subscription Price of US\$60 million.

LETTER FROM GUANGDONG SECURITIES

The Target Companies include Turbo Speed, Beijing WFOE, Mega Peak, Max Ascent and Hunan WFOE. Set out below are the graphs illustrating the simplified existing group structure of the Target Companies:



Notes:

1. Operating arm of the Telecommunication Solutions Segment (as being defined below)
2. An investment holding company
3. Operating arm of the Payment Solutions Segment (as being defined below)

Information on the Group

The Company is an investment holding company and its subsidiaries are principally engaged in the sales of electronic payment products and services, sales of electronic power meters and solutions, provision of telecommunication solutions and value-added services, provision of financial solutions, services and related products and provision of payment solutions and services.

Information on the Success Bridge Group

The Success Bridge Group includes the Target Companies, and Success Bridge is the holding company focusing on the provision of telecommunication solutions and operation value-added services (the “**Telecommunication Solutions Segment**”), and payment solutions and services (the “**Payment Solutions Segment**”) of the Group. The business in relation to the Telecommunication Solutions Segment will be conducted through Turbo Speed and Beijing WFOE; while the business in relation to the Payment Solutions Segment will be conducted through Max Ascent and Hunan WFOE.

Save as and except for its shareholdings in the Target Companies, Success Bridge had no other material assets as at the Latest Practicable Date.

(a) The Telecommunication Solutions Segment

With reference to the interim report of the Company for the six months ended 30 June 2009 (the “**2009 Interim Report**”), the Company signed certain agreements with the associates of China Mobile Limited to provide nation-wide interactive voice response (“**IVR**”) platform which has been bringing a perpetual revenue stream to the Group.

LETTER FROM GUANGDONG SECURITIES

According to the management of the Company, IVR is a type of technology which automates interactions with cell phone users. The Group's IVR platform allows cell phone users to retrieve information, including but not limited to information on traffic, citizen identities' information, entertainment news, music etc., as provided by other multimedia operators through any cell phones.

As referred to in the 2009 Interim Report, the Company anticipated a modest growth in the traditional IVR business after years of significant increase in the traffic volume since 2005. Whilst, the Company also expected a steady growth in the Group's operating profit through a combination of operation efficiencies and effective cost management. The Company will continue to prudently develop other innovative value-added solutions and services, such as 3G mobile value-added solutions and services in the future.

Tabularised below is a summary of the consolidated financial information of Turbo Speed for the eleven months ended 30 November 2009 and the two years ended 31 December 2008, as provided by the Company:

	For the eleven months ended 30 November 2009	For the year ended 31 December 2008	For the year ended 31 December 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)	(audited)
Turnover	305,321	251,028	213,038
Net profit before taxation	134,567	125,575	116,422
Net profit after taxation	124,326	94,348	101,223
Net assets	270,609	146,283	36,172

We noted from the above table that Turbo Speed enjoyed stable turnover and profits since the year ended 31 December 2007.

(b) The Payment Solutions Segment

According to the 2009 Interim Report, the Payment Solutions Segment is a newly innovative area entered into by the Group. The Company established Hunan WFOE in March 2009 to provide payment solutions and value-added services. Currently, Hunan WFOE is principally engaged in the operation and development of the first nation-wide mobile payment platform and solution in conjunction with the associates of China Mobile Limited (the "Mobile Payment Service"), which will enable consumers to use their cell phones as a payment device.

LETTER FROM GUANGDONG SECURITIES

As represented by the management of the Company, the Payment Solutions Segment has huge growth potential leveraging on the possible favourable factors as follows: (i) the PRC being the largest mobile phone market in the world and has more than 700 million mobile phone users, with mobile phones reaching all spheres of people's social life; and (ii) the mobile payment business will grow into another brand new e-commerce platform, following that by personal computer.

Based on the unaudited consolidated financial information of Max Ascent for the period from its incorporation on 15 January 2009 to 30 November 2009, the consolidated turnover and net loss of Max Ascent were amounted to approximately HK\$19.89 million and HK\$36.38 million respectively. The unaudited consolidated net liabilities of Max Ascent as at 30 November 2009 were approximately HK\$36.49 million. Upon our enquiry, the Directors advised us that the loss suffered by Max Ascent since the date of its incorporation was mainly attributable to administrative costs and set up costs. Moreover, since Hunan WFOE was only established in March 2009, the Directors expected that the Mobile Payment Service as provided by Max Ascent will be fully launched across the PRC in January 2010.

Proposed use of proceeds from the Subscription

From the Board Letter, we noted that the Directors estimated that the aggregate gross and net proceeds (after deducting the estimated expenses incurred in relation to the Subscription) to be raised from the Subscription would amount to approximately HK\$465 million and HK\$463 million respectively. The aggregate net proceeds from the Subscription of approximately HK\$463 million will be utilised as to (i) approximately HK\$200 million for the development of 3G mobile value-added solutions and services; and (ii) approximately HK\$200 million for the development of wireless payment operation services in the PRC; and (iii) the remaining balance as general working capital for the Success Bridge Group.

As further extracted from the Board Letter, the Directors considered that the Subscription represents an opportunity to raise capital for the Success Bridge Group to provide additional funding to Success Bridge's business. Given that (i) the Subscription would provide additional funding to Success Bridge's business which demonstrated expansion potentials as presented under the foregoing sections headed "The Telecommunication Solutions Segment" and "The Payment Solutions Segment" of this letter; (ii) the SBL Preference Shares represent only 6% of the total issued share capital of Success Bridge as enlarged by the Subscription and the Company would continue to enjoy the majority equity interest in the Success Bridge Group upon Completion; and (iii) the amount to be raised from the Subscription of approximately HK\$465 million is substantially higher than the sum of the unaudited consolidated net assets of Turbo Speed and Max Ascent of approximately HK\$234 million as at 30 November 2009, we concur with the Directors that the Subscription is in the interests of the Company and the Shareholders as a whole.

(2) The Subscription Agreement

Pursuant to the Subscription Agreement, the Subscription Price of US\$60 million shall be settled by the Subscriber upon Completion in cash. The 600 SBL Preference Shares represent 6% of the total issued share capital of Success Bridge as enlarged by the Subscription.

Completion of the Subscription Agreement is conditional upon certain conditions precedent, which are detailed under the section headed “Conditions precedent” of the Board Letter.

Basis of the Subscription Price

As set out in the Board Letter, the Subscription Price was arrived at after arm’s length negotiations between the Company and the Subscriber with reference to various factors including the current financial position, the historical financial performance and the business prospect of the Target Companies.

Trading multiples analysis

For the purpose of assessing the fairness and reasonableness of the Subscription Price, we have performed a trading multiples analysis which includes the implied price to book ratio (“**PBR**”) and the implied price to earnings ratio (“**PER**”).

Based on our computation, the implied PBR of the Subscription Price is equivalent to approximately 11.09 times to “the Subscription Price of US\$60 million divided by 6% of the sum of the unaudited consolidated net assets of Turbo Speed and Max Ascent together with the Subscription Price, of approximately HK\$41.95 million as at 30 November 2009”.

As for the implied PER of the Subscription Price, in view of the Directors’ representation that Max Ascent recorded net loss for the period from its incorporation to 30 November 2009 due to the short establishment history of Hunan WFOE, we have only taken into account the earnings of Turbo Speed when computing the implied PER of the Subscription Price. Given that Max Ascent has not yet contributed any significant profits to the Success Bridge Group since its establishment, the effect of exclusion of the consolidated financial results of Max Ascent from the PER analysis would not be material and we are thus of the opinion that the PER analysis is applicable for evaluating the fairness and reasonableness of the Subscription Price. For the year ended 31 December 2008, the audited consolidated net profit after taxation of Turbo Speed was approximately HK\$94.35 million, 6% of which being approximately HK\$5.66 million. Based on the aforesaid computation method, the implied PER of the Subscription Price is approximately 82.14 times.

LETTER FROM GUANGDONG SECURITIES

For our analysis, we have searched for companies which are listed on the Stock Exchange and are principally engaged in businesses similar to the Success Bridge Group. Given the unique business nature of the Telecommunication Solutions Segment and the Payment Solutions Segment, we are unable to identify any comparable listed companies in Hong Kong other than the Company itself which are of similar business nature. In addition, we also extended our search to companies listed on the worldwide stock exchange markets which are engaged in businesses similar to the Success Bridge Group. However, to the best of our knowledge and as far as we are aware of, no other relevant comparable companies were identified. Therefore, we considered that only the Company could serve as a relevant proxy for the market valuation on the business of the Success Bridge Group (the “**Proxy**”).

Set out below are the implied PBR and implied PER of the Proxy based on (i) the closing price of the Shares and the total number of the Shares as at 24 December 2009, being the date of the Subscription Agreement; and (ii) the Company’s latest published information (i.e. the consolidated net assets (net of minority interests) of the Group per Share as at 30 June 2009 and net profit attributable to the equity holders of the Group per Share for the year ended 31 December 2008) as extracted from the website of the Stock Exchange:

Company name	Principal business	PBR	PER
The Company	The sales of electronic payment products and services, sales of electronic power meters and solutions, provision of telecommunication solutions and value-added services, provision of financial solutions, services and related products and provision of payment solutions and services.	6.61	93.52
The Subscription Price		11.09	82.14

Source: the website of the Stock Exchange

As depicted by the above table, the implied PBR and implied PER of the Proxy were approximately 6.61 times and 93.52 times respectively, while the implied PBR and implied PER of the Subscription Price are approximately 11.09 times and 82.14 times respectively. As such, the implied PBR of the Subscription Price is substantially higher than that of the Proxy, while the implied PER of the Subscription Price is lower than that of the Proxy. In this respect, Shareholders should note that, other than the business and operations of the Success Bridge Group, i.e. the businesses related to the Telecommunication Solutions Segment and the Payment Solutions Segment, the Proxy is also engaged in other material businesses. For this reason, we consider that the lower implied PER of the Subscription Price is acceptable. As such, we consider that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM GUANGDONG SECURITIES

Other terms of the Subscription Agreement

Under the Subscription Agreement, in the event of (i) any return of capital liquidation, dissolution or winding up of Success Bridge, either voluntary or involuntary; or (ii) a sale of all or substantially all of Success Bridge's assets, holders of the SBL Preference Shares shall rank in priority to any other class of shares in Success Bridge and shall be entitled to receive in cash, an amount per SBL Preference Share equal to 150% of the Subscription Price per SBL Preference Share and all accrued or declared but unpaid dividend thereon. We noted that such term may not be favourable to the Company. Nevertheless, as balanced by the fact that the Subscription would provide a relatively substantial additional funding to Success Bridge's business which is highly beneficial for the long term development of the Success Bridge Group, we are of the opinion that the aforesaid terms, which are only applicable in the event of any capital liquidation, dissolution and winding up of Success Bridge, are acceptable.

We have also reviewed the other major terms of the Subscription Agreement and are not aware of any terms which are uncommon. Consequently, we consider that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

(3) The Shareholders Agreement

On Completion, the Company is required to enter into the Shareholders Agreement with the Subscriber and Success Bridge, which sets out the rights and obligations of the shareholders of Success Bridge, including but not limited to those related to the Ratchet Disposal, the Ratchet Acquisition and the Exchange Rights.

The board composition

Pursuant to the Shareholders Agreement, the board of Success Bridge shall consist of three directors. So long as the SBL Preference Shareholders together hold an aggregate of not less than 5% of the SBL Preference Shares in issue immediately upon Completion (or an equivalent number of SBL Ordinary Shares that have arisen from the conversion of the SBL Preference Shares), the Majority SBL Preference Shareholders will have one board seat in Success Bridge and each of Success Bridge's subsidiaries with prior written notice to Success Bridge.

So long as the Company remains directly or indirectly the single largest shareholder of Success Bridge, the Company will have two board seats in Success Bridge and any of Success Bridge's subsidiaries (or a simple majority on the number of directors if there are more than three directors on the board of the relevant company).

As the Company is able to maintain majority control over the Success Bridge Group so long as the Company remains directly or indirectly the single largest shareholder of Success Bridge, we consider the arrangement on board composition of Success Bridge to be in the interests of the Company and the Shareholders as a whole.

LETTER FROM GUANGDONG SECURITIES

The Ratchet Disposal and the Ratchet Acquisition

Under the Shareholders Agreement:

If the 2010 SBL Net Profit is less than RMB450,000,000, the Company shall transfer to the SBL Preference Shareholders Additional Shares equal to up to 3% of the aggregate number of SBL Shares in issue as at Completion at an aggregate consideration of HK\$1.00.

The number of Additional Shares is to be determined as follows:

2010 SBL Net Profit	Additional Shares
Less than RMB375,000,000	3%
RMB375,000,000 or more but less than RMB400,000,000	2%
RMB400,000,000 or more but less than RMB450,000,000	1%

If the 2010 SBL Net Profit is RMB500,000,000 or more, the SBL Preference Shareholders shall transfer to the Company the Return Shares equal to up to 2% of the aggregate number of SBL Shares in issue as at Completion at an aggregate consideration of HK\$1.00.

The number of Return Shares is to be determined as follows:

2010 SBL Net Profit	Additional Shares
RMB500,000,000 or more but less than RMB550,000,000	1%
RMB550,000,000 or more	2%

If the 2010 SBL Net Profit is RMB450,000,000 or more but less than RMB500,000,000, no Additional Share shall be transferred by the Company to the SBL Preference Shareholders and no Return Share shall be transferred from the SBL Preference Shareholders to the Company.

With reference to the Board Letter, the targets for the 2010 SBL Net Profit which trigger the Ratchet Disposal and the Ratchet Acquisition were set after arm's length negotiations between the Company and the Subscriber, as incentives to drive the future performance of Success Bridge. In light of also the adjustment mechanism under the Ratchet Disposal and the Ratchet Acquisition as highlighted above, we consider that the Ratchet Disposal as well as the Ratchet Acquisition represent a fair game to both the Company and the Subscriber with an aim to providing incentives to drive the future performance of Success Bridge.

We understand from the Company that the above adjustment mechanism for the Ratchet Disposal and the Ratchet Acquisition (including the percentage of Additional Shares and Return Shares to be transferred by/to the Company under each of the scenario as demonstrated above) was arrived at after arm's length negotiations between the Company and the Subscriber.

LETTER FROM GUANGDONG SECURITIES

To further assess the fairness and reasonableness of the Ratchet Disposal and the Ratchet Acquisition, we attempted to compare the implied PBR and implied PER of the Subscription Price in the worst case scenario under the Ratchet Disposal (the “**Worst Case Scenario**”) (i.e. if the 2010 Net Profit is less than RMB375,000,000 and 3% Additional Shares are issued to the Subscriber at an aggregate consideration of HK\$1.00). In such event, the implied PBR of the Subscription Price will be equivalent to approximately 7.39 times to “9% of the sum of the unaudited consolidated net assets of Turbo Speed and Max Ascent as at 30 November 2009 together with the Subscription Price, of approximately HK\$62.92 million”, while the implied PER for the Subscription Price will be equivalent to approximately 54.76 times to “9% of the audited consolidated net profit after taxation of Turbo Speed for the year ended 31 December 2008 of approximately HK\$8.49 million”.

We noted that both of the implied PBR and implied PER of the Subscription Price under the Worst Case Scenario provide similar results as those demonstrated under the sub-section headed “Trading multiples analysis” above. For the same reason, we consider that the adjustment mechanism of the Ratchet Disposal is acceptable.

In the event that the 2010 Net Profit is more than RMB500,000,000, the SBL Preference Shareholders shall transfer to the Company the Return Shares of up to 2% of the aggregate number of SBL Shares in issue as at Completion at an aggregate consideration of HK\$1.00 based on the arrangement under the Ratchet Acquisition. Given that such arrangement would allow the Company to retain a higher equity share (and in turn a higher profit share) in Success Bridge when the Success Bridge Group demonstrates a satisfactory profit generating ability, we consider that the rationale of the Ratchet Acquisition is also acceptable.

In conclusion, as extracted from the Board Letter, the Directors consider the terms of the Ratchet Disposal and the Ratchet Acquisition to be fair and reasonable, taking into account the potential return of US\$60 million for the future development of the Success Bridge Group but the Company would only have to part with a minimum of 1% and a maximum of 3% equity interests in Success Bridge.

Shareholders should be reminded that there will be neither Ratchet Disposal nor Ratchet Acquisition if (a) the volume weighted average price of a Share exceeds HK\$4.5 for a period of 30 consecutive trading days during the period from (and including) the day falling nine months immediately following the date of Completion up to (and excluding) the day falling on the second anniversary of the date of Completion; or (b) the SBL Preference Shareholders cease to hold or own any SBL Shares as a result of transfer of such SBL Shares to the Company on their exercise of the Exchange Rights and such transfer has been completed.

The Exchange Rights

Pursuant to the Shareholders Agreement, at any time during a period from (and including) the day falling nine months after the date of the first issue of the SBL Preference Shares to (and excluding) the date falling on the third anniversary thereof and subject to the number of SBL Preference Shares then outstanding exceeding 50% in

LETTER FROM GUANGDONG SECURITIES

number of the aggregate number of such SBL Preference Shares and the SBL Ordinary Shares (that have arisen on the conversion of the SBL Preference Shares) in issue, the Majority SBL Preference Shareholders may, at their sole option, require the Company to acquire all SBL Preference Shares and SBL Ordinary Shares (that have arisen from the conversion of the SBL Preference Shares) then in issue and held by the SBL Preference Shareholders (other than the Company) in consideration of the issue to each SBL Preference Shareholder and/or the person(s) (not being a connected person of the Company) designated by it of such number of new Shares to be calculated by US\$60 million (or its HK\$ equivalent calculated at the exchange rate of US\$1: HK\$7.7553) divided by the Exchange Price (subject to adjustments).

As discussed with and confirmed by the Directors, the aforesaid Exchange Rights arrangement was arrived at after arm's length negotiation between the Company and the Subscriber to provide for a liquid exit for the SBL Preference Shareholders.

The initial Exchange Price of HK\$4.5 per Share (subject to adjustments), which as confirmed by the Directors was arrived at after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market price of the Shares, represents:

- a premium of approximately 12.50% over the closing price of HK\$4.00 per Share quoted on the Stock Exchange on 24 December 2009, being the last trading day prior to the suspension of trading in the Shares on the Stock Exchange pending the release of this announcement;
- a premium of approximately 15.33% over the average closing price of approximately HK\$3.90 per Share over the last five trading days up to and including 24 December 2009;
- a premium of approximately 15.21% over the average closing price of approximately HK\$3.91 per Share over the last ten trading days up to and including 24 December 2009;
- a premium of approximately 23.63% over the average closing price of approximately HK\$3.64 per Share over the last 30 trading days up to and including 24 December 2009;
- a premium of approximately 31.12% over the average closing price of approximately HK\$3.43 per Share over the last 45 trading days up to and including 24 December 2009; and
- a premium of approximately 584.40% over the consolidated net asset value of the Group of approximately HK\$0.658 per Share as at 30 June 2009 (based on the unaudited consolidated net asset value of the Group of approximately HK\$1,757.80 million as at 30 June 2009 and 2,673,429,835 issued Shares as at the date of the Subscription Agreement).

LETTER FROM GUANGDONG SECURITIES

In view of that the Exchange Price represents a premium over (i) the open market prices of the Shares in various historical periods as presented above; and (ii) the latest net asset value of the Group per Share, we consider that the Exchange Price (including the Exchange Rights arrangement) is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

In the event that the Exchange Rights are being exercised by the SBL Preference Shareholders, the capital base of the Group would be enlarged.

As at the Latest Practicable Date, 2,673,429,835 Shares were in issue. Assuming the SBL Preference Shares are fully exchanged into the Shares at the initial Exchange Price, a total of 103,404,000 Shares will be issued, representing (i) approximately 3.87% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 3.72% of the issued share capital of the Company as enlarged by the issue of such new Shares on the exercise in full of the Exchange Rights.

The table below shows the shareholding structure of the Company (i) as at Latest Practicable Date; and (ii) immediately after the exchange in full of the SBL Preference Shares into Shares at the initial Exchange Price assuming that there is no other changes to the share capital of or holding in the Company from the Latest Practicable Date to the date of such exchange:

Shareholders	As at the Latest Practicable Date		Immediately after exercise of the Exchange Rights in full at the initial Exchange Price	
	Number of Shares	% of issued Shares	Number of Shares	% of issued Shares
Mr. Kui Man Chun (<i>Note 1</i>)	642,283,636	24.02	642,283,636	23.13
Directors other than Mr. Kui Man Chun (<i>Note 2</i>)	30,566,000	1.14	30,566,000	1.10
The Subscriber and its associates (<i>Note 3</i>)	36,267,618	1.36	139,671,618	5.03
Public Shareholders	<u>1,964,312,581</u>	<u>73.48</u>	<u>1,964,312,581</u>	<u>70.74</u>
Total	<u>2,673,429,835</u>	<u>100</u>	<u>2,776,833,835</u>	<u>100</u>

Notes:

- 617,083,636 Shares are held by Rich Global Limited, being wholly-owned by Hi Sun Limited, which is in turn held as to approximately 99.16% by Mr. Kui Man Chun, a Director.
- Each of Mr. Li Wenjin, Mr. Xu Chang Jun, Mr. Xu Sitao and Mr. Xu Wensheng holds 6,400,000, 18,900,000, 700,000 and 4,566,000 Shares respectively.

LETTER FROM GUANGDONG SECURITIES

3. The Company has been informed that each of the Subscriber and its beneficial owner, Hao Capital Fund II L.P., does not hold any Shares. However, Hao Capital China Fund L.P., being a fund under the same control as Hao Capital Fund II L.P., through its wholly-owned subsidiary, was interested in 36,267,618 Shares as at the Latest Practicable Date.

As depicted by the above table, the shareholding interests of the public Shareholders will be reduced from approximately 73.48% to 70.74% (i.e. approximately 2.74 percent point.) immediately after the exchange in full of the SBL Preference Shares into Shares at the initial Exchange Price. We are of the view that the potential dilution effect as a result of the exchange in full of the SBL Preference Shares into Shares at the initial Exchange Price is rather immaterial.

Other terms of the Shareholders Agreement

We have also reviewed the other major terms of the Shareholders Agreement and are not aware of any terms which are uncommon. Consequently, we consider that the terms of the Shareholders Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

(4) Possible financial effects

As advised by the Directors, set out below are the possible finance effects of each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition, and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights, under the current accounting standard:

- Upon Completion, no gain or loss to the Group will be recorded. Instead, the consideration of the Subscription will be booked as financial liability and equity components. Overall, the working capital of the Success Bridge Group would be enhanced upon Completion.
- Upon the completion of either the Ratchet Disposal or the Ratchet Acquisition, no gain or loss to the Group will be recorded.
- Should all SBL Preference Shares be converted into SBL Ordinary Shares, upon completion of such conversion, a deemed disposal will be recorded, which will be calculated with reference to the Company's interest in Success Bridge based on the then audited net asset value of Success Bridge as compared to the Subscription Price. In addition, as the deemed disposals arising from the Subscription and the Ratchet Disposal do not result in a loss of control, these would be accounted for as equity transactions and would not lead to any gain or loss to the Group.
- If the Exchange Rights are exercised in full, no gain or loss to the Group will be recorded.

LETTER FROM GUANGDONG SECURITIES

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition, and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights.

RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that (i) the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition, and the purchase of SBL Shares and issue of new Shares on exercise of the Exchange Rights is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' Interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules are set out below:

Ordinary shares of HK\$0.0025 each in the Company

Name of director	Number of Shares held		Total
	Personal interest	Corporate interest	
Kui Man Chun	25,200,000	617,083,636 (<i>Note</i>)	642,283,636
Xu Wensheng	4,566,000	–	4,566,000
Li Wenjin	6,400,000	–	6,400,000
Xu Changjun	18,900,000	–	18,900,000
Xu Sitao	700,000	–	700,000

Note: These shares are held by Kui Man Chun through Hi Sun Limited, a company which Kui Man Chun holds a 99.16% interest, and Rich Global Limited, a wholly-owned subsidiary of Hi Sun Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were

required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, the register of substantial shareholders maintained under section 336 of the SFO shown that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name of Shareholder	Number of ordinary shares	Approximate percentage of shareholding*
Rich Global Limited (“RGL”)**	617,083,636 (L)	23.08%
Hi Sun Limited (“HSL”)** (Note 2)	617,083,636 (L)	23.08%
Kui Man Chun	642,283,636 (L)	24.02%

Notes:

1. The Letter “L” denotes a long position in Shares.
2. HSL is interested in the Company's share capital by virtue of its 100% shareholding in RGL, and these shares are held by Kui Man Chun through HSL, a company which Mr. Kui Man Chun holds a 99.16% interest.

* The percentage is calculated based on the total issued number of shares of the Company as at the Latest Practicable Date.

** Mr. Kui Man Chun and Mr. Li Wenjin are directors of RGL and Mr. Kui Man Chun, Mr. Li Wenjin and Mr. Xu Wensheng are directors of HSL which were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had any other interests or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTOR' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or proposed Directors had any existing service contract or proposed service contract with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or proposed Directors, directly or indirectly, had any interest in any assets which had since 31 December 2008 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

There is no contract or arrangement subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant to the business of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder).

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 31 December 2008 (being the date to which the latest published audited financial statements of the Group have been made up) and up to the Latest Practicable Date.

7. QUALIFICATIONS AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Guangdong Securities	a licensed corporation for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it appears.

As at the Latest Practicable Date, a fund named “Beston Vantage Fund”, of which Guangdong Securities is the fund manager, was interested in 5,139,000 Shares, representing approximately 0.19% of the total issued share capital of the Company. Save as disclosed above, as at the Latest Practicable Date, Guangdong Securities was not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Guangdong Securities did not, directly or indirectly, have any interest in any assets which had since 31 December 2008 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (a) The registered address of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.
- (c) The joint company secretaries of the Company are Mr. Chan Yiu Kwong and Ms. Hui Lok Yan.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during business hours at the head office and principal place of business of the Company at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of SGM:

- (a) the Subscription Agreement;
- (b) the agreed form of the Shareholders Agreement; and
- (c) the letter of consent as referred to under the section headed “Qualification and consent of expert” in this Appendix.

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 the special general meeting of Hi Sun Technology (China) Limited (the “**Company**”) will be held at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 25 January 2010 at 10 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as an ordinary resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) (i) the issue of the 600 preference shares of US\$0.001 each in the share capital of Success Bridge Limited (“**Success Bridge**”), subject to and on terms of the conditional subscription agreement (the “**Subscription Agreement**”) dated 24 December 2009 and entered into between the Company and Wise World Group Limited (a copy of which has been produced to this Meeting and marked “**A**” and initialled by the chairman of the Meeting for the purpose of identification); and (ii) all transactions contemplated under the Subscription Agreement including without limitation the entering into and the performance of the shareholders agreement (“**Shareholders Agreement**”) (a copy of the agreed form of which has been produced to this Meeting and marked “**B**” and initialled by the chairman of the Meeting for the purpose of identification) as more particularly described in the circular of the Company dated 8 January 2010 (including but not limited to (x) the acquisition by the Company of all the SBL Preference Shares from the holder(s) (“**SBL Preference Shareholders**”) of SBL Preference Shares and ordinary shares of Success Bridge (“**SBL Ordinary Shares**”) issued on conversion of SBL Preference Shares on the exercise of the exchange rights (“**Exercise Rights**”) of such SBL Preference Shareholders, (y) the transfer by the Company to the SBL Preference Shareholders of its SBL Ordinary Shares if the audited net profit (the “**2010 SBL Net Profit**”) of Success Bridge for the year ending 2010 calculated in accordance with the Shareholders Agreement is less than RMB450,000,000, (z) the acquisition by the Company from the SBL Preference Shareholders of their SBL Preference Shares and/or SBL Ordinary Shares if the 2010 SBL Net Profit is

* *For identification purpose only*

NOTICE OF SGM

RMB500,000,000 or more), be and are hereby approved and that the directors of the Company be and are hereby authorised to do all things and acts which they consider necessary, desirable or expedient in connection with the Subscription Agreement, the Shareholders Agreement and the transactions contemplated thereunder; and

- (b) the issue and allotment of new ordinary shares in the share capital of the Company pursuant to the exercise by the SBL Preference Shareholders of the Exercise Rights at the initial exercise price of HK\$4.5 each (subject to adjustments pursuant to the Shareholders Agreement) be and is hereby approved, and that the directors of the Company be and are hereby authorised to do all things and acts which they consider necessary, desirable or expedient in connection with such issue.”

By order of the Board
Hi Sun Technology (China) Limited
Li Wenjin
Executive Director

Hong Kong, 8 January 2010

Head office and principal place of business in Hong Kong:

Room 2416, 24th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed with the circular despatched on 8 January 2010 to the members of the Company.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the principal place of business of the Company at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.