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HI SUN GROUP LIMITED

高陽集團有限公司*

(incorporated in Bermuda with limited liability)

PROPOSED BONUS ISSUE OF SHARES AND GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Directors proposed a Bonus Issue on the basis of one Bonus Share for every one existing Share held by the Shareholders. The registers of members of the Company will be closed from 21st May, 2002 to 23rd May, 2002 and the Record Date for entitlement to Bonus Issue will be 23rd May, 2002.

The Directors also proposed that the general mandates to issue and repurchase Shares should be renewed immediately after the proposal for the Bonus Issue has been approved by the Shareholders.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Bonus Shares.

A circular containing details of the Bonus Issue and the renewal of the general mandates to issue and repurchase Shares for approval by the Shareholders at the AGM will be sent to the Shareholders as soon as possible.

BONUS ISSUE OF SHARES

The board of directors of Hi Sun Group Limited (the "Company") (the "Directors") is pleased to announce that the Company proposed a bonus issue of shares (the "Bonus Issue"), on the basis of one new share of HK\$0.01 each (credited as fully paid) ("Bonus Share") for every one existing share of HK\$0.01 each (the "Share") held by the shareholders of the Company (the "Shareholders").

The registers of members of the Company will be closed from 21st May, 2002 to 23rd May, 2002, both dates inclusive, and the record date for determining entitlement to the Bonus Issue will be 23rd May, 2002 (the "Record Date"). Shareholders are reminded that in order to qualify for the Bonus Issue, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Tengis Limited, 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on 17th May, 2002.

Subject to the approval of the Bonus Issue at an annual general meeting of the Company (the "AGM") and the Listing Committee of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting or agreeing to grant listing of and permission to deal in the Bonus Shares and on the basis of 101,018,010 Shares in issue as at 12th April, 2002, the number of Bonus Shares to be issued will be 101,018,010.

The Bonus Shares will rank *pari passu* in all respects with the existing Shares except that they will not rank for the Bonus Issue.

REASONS FOR THE BONUS ISSUE

The Bonus Issue will allow the Shareholders to participate in the growth of the Company by way of capitalisation of a portion of the share premium account.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

GENERAL MANDATES

The Directors also proposed that the general mandates to issue Shares and repurchase Shares granted at the shareholder's meeting dated 16th October, 2001 be renewed immediately after the proposal for the Bonus Issue has been approved by the Shareholders at the AGM by granting new general mandates (i) to allot, issue and deal with the Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the relevant resolution as enlarged by the proposed Bonus Shares and (ii) to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the relevant resolution as enlarged by the proposed Bonus Shares.

A circular to the Shareholders setting out, *inter alia*, the details of the proposed Bonus Issue and general mandates to issue new Shares and repurchase Shares, and the notice of the AGM of the Company will be sent to the Shareholders in due course.

By order of the Board
Li Wenjin
Director

Hong Kong, 12th April, 2002

* For identification purpose only