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The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



HI SUN GROUP LIMITED

高陽集團有限公司*

(incorporated in Bermuda with limited liability)

**RESULTS OF RIGHTS ISSUE OF 111,018,010 RIGHTS SHARES
OF HK\$0.01 EACH**

**AT HK\$0.63 PER RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

The Directors announce that an aggregate of 6 valid acceptances of provisional allotments and applications for excess Rights Shares have been received for a total of 80,272,333 Rights Shares as at 4:00 p.m. on Thursday, 19 December, 2002 comprising (i) 4 valid acceptances of provisional allotments in respect of 80,210,303 Rights Shares made under the Rights Issue; and (ii) 2 valid applications for excess Rights Shares in respect of 62,030 Rights Shares. The aggregate number of Rights Shares accepted or applied for represents approximately 72.3% of the total number of Rights Shares available under the Rights Issue. Pursuant to the Underwriting Agreement, the Underwriter shall subscribe or procure subscribers who are Independent Third Parties for the remaining 30,745,677 Rights Shares. The Rights Issue will become unconditional at 5:00 p.m. on Monday, 23 December, 2002 if the Underwriting Agreement is not terminated by the Underwriter in accordance with its terms.

Certificates for the Rights Shares are expected to be despatched by ordinary post to those Shareholders who accepted and paid for the Rights Shares at their own risk on or about Tuesday, 24 December, 2002. Dealings in the fully-paid Rights Shares are expected to commence at 9:30 a.m. on Monday, 30 December, 2002.

Reference is made to the announcement of the Company dated 15 November, 2002 and the prospectus for the Rights Issue dated 4 December, 2002 ("the Prospectus"). Capitalised terms used herein shall have the same meanings as ascribed to in the Prospectus, unless the context otherwise requires.

RESULTS OF THE RIGHTS ISSUE

The Directors announce that an aggregate of 6 valid acceptances of provisional allotments and excess applications have been received for a total of 80,272,333 Rights Shares as at 4:00 p.m. on Thursday, 19 December, 2002 comprising (i) 4 valid acceptances of provisional allotments in respect of 80,210,303 Rights Shares made under the Rights Issue; and (ii) 2 valid excess applications for 62,030 Rights Shares. The aggregate number of 80,272,333 Rights Shares accepted or applied for represents approximately 72.3% of the total number of Rights Shares available under the Rights Issue. Accordingly, the Rights Issue has been undersubscribed. Pursuant to the Underwriting Agreement, the Underwriter shall subscribe or procure subscribers who are Independent Third Parties for the remaining 30,745,677 Rights Shares, representing approximately 9.23% of the enlarged issued share capital of the Company as a result of the Rights Issue. The Rights Issue will become unconditional at 5:00 p.m. on Monday, 23 December, 2002 if the Underwriting Agreement is not terminated by the Underwriter in accordance with its terms.

The substantial Shareholder, Rich Global Limited, has accepted and paid for 63,090,303 Rights Shares, which represents approximately 56.83% of the total number of Rights Shares available under the Rights Issue and the entire rights entitlement of Rich Global Limited irrevocably undertaken by it to the Company and the Underwriter to take up in full under the Rights Issue. Except for the aforesaid number of Rights Shares accepted and paid for by Rich Global Limited, it did not apply for any excess Rights Shares. The shareholdings of Rich Global Limited and its associates in the Company remain at approximately 56.83% immediately after completion of the Rights Issue.

None of the executive Directors and their associates have applied for any excess Rights Shares.

The Directors confirm that no new parties have become substantial Shareholders as a result of the Rights Issue and the minimum public float of the Shares has been maintained.

GENERAL

Certificates for the Rights Shares are expected to be despatched by ordinary post to those Shareholders who accepted and paid for the Rights Shares at their own risk on or about Tuesday, 24 December, 2002. Dealings in the fully-paid Rights Shares are expected to commence at 9:30 a.m. on Monday, 30 December, 2002.

The Rights Shares in fully-paid form will be traded in board lots of 1,000 Shares.

By Order of the Board
Hi Sun Group Limited
Li Wenjin
Director

Hong Kong, 20 December, 2002

* *For identification purposes only*