



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技（中國）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0818)

ADVANCES TO AN ENTITY DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES

This announcement is made pursuant to Rules 13.13 and 13.15 of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) to disclose details of advances to an entity by Hi Sun Technology (China) Limited (“Company”) together with its subsidiaries, the (“Group”) in respect of which at least one of the relevant percentage ratios of such advances exceeds 8%.

In addition, the board of directors of the Company (“Board”) have noted the recent increases in the price of the shares of the Company (“Shares”) and save for the transactions referred to above, the Board are not aware of any reasons for such increases in the price of the Shares. The Board further confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

This announcement is made by the Company, in compliance with Rules 13.13 and 13.15 of the Listing Rules under which a disclosure obligation arises where an advances to an entity by the Group exceeds 8% of any of the relevant percentage ratios.

As at 11 July 2005, the total issued share capital of the Company was 333,054,030. Based on the average closing price of HK\$0.538 per Share for the 5 business days immediately preceding 11 July 2005 as stated in the Stock Exchange’s daily quotations sheets, the total market capitalization of the Company was approximately HK\$179,183,068 (“Total Market Capitalisation”).

According to the latest management accounts of the Group as at 11 July 2005, the Group had advanced an aggregate sum of approximately RMB19.6 million (equivalent to approximately HK\$18.3 million) (the “Advances”) to 銀聯商務有限公司 (Unionpay Merchant Services Company Limited *) (“Unionpay”), which as at 11 July 2005 exceeded 8% of the relevant percentage ratios, representing approximately 10.21% of the Total Market Capitalisation.

The Advances to Unionpay represented trade receivables arising in the ordinary course of business of the Group with Unionpay for the supply of electronic fund transfer point-of-sale terminals. To the best of the knowledge, information and belief of the Board, and having made all reasonable enquires, Unionpay and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules) of the Group. These trade receivables are unsecured and interest free with payment terms of three to six months.

In addition, the Board have noted the recent increases in the price of the Shares and save for the transactions referred to above, the Board are not aware of any reasons for such increases in the price of the Shares. The Board further confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

As at the date of this announcement, the Board consists of eight executive Directors, namely Cheung Yuk Fung, Kui Man Chun, Lo Siu Yu, Xu Wensheng, Li Wenin, Chan Yiu Kwong, Xu Chang Jun and Zhou Jian; one non-executive Director, namely Liu Yangsheng, Charles; and three independent non-executive Directors, namely Tam Chun Fai, Xu Sitao and Leung Wai Man, Roger.

By Order of the Board
XU Chang Jun
Executive Director

Hong Kong, 12 July 2005

* For identification purpose only