HI SUN TECHNOLOGY (CHINA) LIMITED
高陽科技（中國）有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 818)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

FINANCIAL HIGHLIGHTS

	2008	2007	Change
	HK$'000	*HK$'000*	+/(-)
RESULTS			
Turnover	**1,213,468**	779,605	+56%
Gross profit	**552,827**	356,838	+55%
Other gains, net	**23,022**	113,743	-80%
Segmental EBITDA (before unallocated items)	**264,549**	196,771	+34%
Profit before taxation	**176,553**	216,768	-19%
Profit for the year	**135,678**	192,521	-30%
Attributable to:			
– Equity holders of the Company	**114,350**	184,276	
– Non-controlling interests	**21,328**	8,245	
	135,678	192,521	
Earnings per share for profit attributable to the equity holders of the Company:			
– Basic	**HK$0.051**	HK$0.090	-43%
– Diluted	**HK$0.051**	HK$0.083	-39%

	As at 31 December		
	2008	2007	Change
	HK$'000	*HK$'000*	+/(-)
KEY BALANCE SHEET ITEMS			
Total equity	**1,264,669**	1,100,860	+15%
Net current assets	**954,785**	778,581	+23%
Total assets	**1,668,616**	1,490,745	+12%
Net assets per share	**HK$0.567**	HK$0.493	+15%

The Board of Directors (the "Board") of Hi Sun Technology (China) Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008 together with the comparative figures for year 2007. The annual results have been reviewed by the Company's Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

During year ended 31 December 2008, the Group records an increase in total turnover and segmental EBITDA from that of the year 2007. The Group's turnover amounted to HK$1,213.47 million, representing a growth of 56% compared to 2007. Segmental EBITDA amounted to HK$264.55 million, representing an increase of 34% compared to 2007. The strong operating results for the year proved the success of the Group's strategy to build a diversified business model: PAX electronic products and services and HI SUN Value-added solutions and services. The increase in segmental EBITDA was mainly attributable to the continuous growth in our recurring profits from sales of EFT-POS terminals and telecommunication solutions, which represented 41% and 20% of the total turnover respectively. Our electronic power meters and solutions segment is picking up momentum in the market and accounted for 29% of total turnover during the year.

Profit before taxation dropped by HK$40.22 million as compared to 2007, was due to a decrease in other gains (including gain on deemed disposal of a subsidiary and disposal of investment securities) by HK$90.72 million in current year. Excluding other gains, the profit before taxation increased 49% to HK$153.53 million compared to HK$103.03 million in 2007. Effective tax rate increased from 11% to 23% since the PRC income tax for the subsidiaries operating in the PRC is provided at standard rate of 25% in advance during the Year. Under the New CIT Law, the operating subsidiaries which are qualified as High and New Technology Enterprises ("HNTEs") are be eligible to enjoy a reduced income tax rate of 15%.

With regard to our balance sheet, the total assets as at 31 December 2008 amounted to HK$1,668.62 million, compared with HK$1,490.75 million as at 31 December 2007. As at 31 December 2008 total current assets amounted HK$1,352.09 million, compared with HK$1,156.94 million as at 31 December 2007.

PAX ELECTRONIC PRODUCTS AND SERVICES

Electronic payment products and services ("EFT-POS terminals")

	2008	2007	Change
	HK$'000	*HK$'000*	*+/(-)*
Turnover	**493,589**	323,143	+53%
Gross profit	**191,134**	113,939	+68%
EBITDA	**113,922**	64,970	+75%
Operating profit	**112,187**	63,540	+77%
Research and development costs	**13,194**	9,657	+37%

Our EFT-POS terminals experienced strong growth of 53% as compared to 2007, with a new sales record of over 247,000 units in 2008. We continued to be the leader in the EFT-POS terminals market in Mainland China. Shipments to Mainland China EFT-POS terminal producers over 200,000 units in 2008, representing an increase of more than 69% as compared to last year. Despite the keen market competition in both the domestic and international markets, we improved gross profit margin from 35% to 39%, through introducing new product designs, maintaining effective cost controls and leveraging volume growth.

By the end of 2008, the total number of EFT-POS terminals in Mainland China amounted to approximately 1.8 million, reflecting a relatively low penetration rate as compared to most developed countries. It provides ample room for the expansion of EFT-POS terminals business. On the other hand, bank payment cards issuance in Mainland China continued to surge with a total number exceeding 1.8 billion by the end of 2008. During the year 2008, card payment transaction volume amounted to RMB3.9 trillion, representing approximately 24% of the community commodity retail amount in the region. In 2009, PAX Technology's EFT-POS terminals sales in Mainland China are expected to keep its momentum, as fueled by the rising acceptance of card payments from the incessant improvement of the payment transactions and processing infrastructure.

In addition, PAX Technology further strengthened its foothold in the international market where turnover increased by 35% as compared to last year, representing 14% of total sales of this segment. Currently, our products are sold to certain European countries, such as Denmark, Belgium, France, Russia. Markets in the Middle East market included the UAE and Saudi Arabia while in Africa, our market covered South Africa and Ghana. In 2008, we also delved into the North and South American markets and Oceania countries. In 2009, we will look for new opportunities and delve into the North and South American markets and Oceania countries. With the first class products and services, we endeavor to make PAX Technology an international brand symbolizing top quality electronic payment products and solutions.

R&D costs rose by 37% with more exertion placed in development of new products such as our latest mobile EFT-POS terminals and contactless terminals.

Electronic power meters and solutions ("PAX Electricity")

	2008	2007	Change
	HK$'000	*HK$'000*	*+/(-)*
Turnover	**350,167**	120,472	+191%
Gross profit	**145,400**	48,178	+202%
EBITDA	**58,149**	10,792	+439%
Operating profit	**38,994**	3,212	+1,114%
Research and development costs	**9,309**	4,175	+123%

Subsequent to the completion of the acquisition of PAX Electricity in 2007, our new electronic power meters and solutions segment gradually picked up momentum in 2008 and continues to hold its leading market position in the domestic market. In 2008, we put in place retrenchment measures to improve the segment's operational efficiency and cost control.

Demand for power meters and solutions experienced significant growth due to the reforms in the energy sector in Mainland China which increased the demand for power measurement devices. Power grid investments, energy supply and efficiency control became one of the top agenda of the Central Government's Eleventh Five Year Plan. State Power Grid and Southern Power Grid will be investing over RMB1 trillion during the five-year plan period while electronic power meters and automated systems/solutions are prerequisite for the reform.

Our strategic partnership with international leaders aiming at the overseas market expansion, mainly to the European and South East Asian countries under the IEC standards, progressed satisfactory during the Year. We are receiving orders from diverse overseas countries such as Sweden and New Zealand. The need to replace the traditional mechanical meters with the more technologically advanced and automated electronic meters and solutions is rapidly growing.

Increased R&D expenses were due to more exertion placed to improve the quality of existing products and development of new series. Likewise, we consistently launch new and innovative products to meet the ever-changing technology and market demand.

HI SUN VALUE-ADDED SOLUTIONS AND SERVICES

Telecommunication solutions

	2008	2007	Change
	HK$'000	*HK$'000*	*+/(-)*
Turnover	**248,105**	210,810	+18%
EBITDA	**135,017**	124,813	+8%
Operating profit	**123,850**	115,504	+7%

During the Year, we continued to provide the exclusive nation-wide interactive voice response ("IVR") platform for China Mobile. Benefiting from market growth, turnover contributed by the IVR platform operations grew by 18% to HK$246 million. In 2008, we maintained a healthy operating profit margin compared to that of 2007. National interactive video and voice response ("IVVR") platform provided for China Mobile has been launched for trial in Q1 2009 and we are gradually building up our IVVR user base.

Looking ahead, we anticipate more modest growth in the IVR business in 2009 after years of significant increase in the traffic volume since 2005. Whilst, we expect a steady growth in the operating profit through a combination of operation efficiencies and effective cost management. In 2009, we will continue to prudently develop other innovative value-added solutions and services, such as the IMS user-end software and mobile payment solutions.

Financial solutions

	2008	2007	Change
	HK$'000	*HK$'000*	*+/(-)*
Turnover	**120,608**	124,129	-3%
EBITDA	**(42,539)**	(3,804)	N/A
Operating loss	**(57,326)**	(14,342)	N/A

In 2008, the financial solutions' segment experienced an operating loss of HK$57.33 million mainly attributable to incessant delays in certain banking projects. With the aim to create a more stable, sustainable and recurring income streams, we have refocused certain measures to extend our underlying strength and expertise in providing business process operations ("BPO") services to financial institutions.

Our BPO services include payment operation solutions and other outsourcing services. Total turnover of the BPO segment grew by 90% in 2008, as compared to 2007. Our strategy is to enhance our position and become a significant service provider to financial institutions in Mainland China. Our relatively significant experience in deploying financial solutions provides us with future revenue opportunities as banks and other financial institutions throughout the world are increasingly outsourcing certain non-core management functions to simplify operations and lower costs. Financial solutions will remain our core competencies and continue to create values and opportunities for us to break through into other value-added service sectors.

OUTLOOK

It is anticipated that the business environment in 2009 will continue to be challenging. However, we believe that the steady cash brought by the electronic payment and power meter solutions, the launch of IVVR in the 3G era and our low capital requirements, combined with our strong financial position will mitigate the adverse impacts from the global financial crisis.

Electronic payment solutions and products

The electronic payment solutions and products are expected to remain the major income stream for the Group in the coming year. Being the market leader, Hi Sun enjoys over 30% market share and is one of the dominant service providers to China Unionpay. With its market leadership and high security standard, Hi Sun intends to continue expanding its market penetration as demand for EFT-POS terminals increase. Contributing to the growing demand for EFT-POS terminals and electronic payment solutions is the Chinese government's move to modernize the country's payment system for a more efficient payment process along with its support for the installation of EFT-POS terminals in all tourist spots and commercial districts. Meanwhile, with the new subsidiary established in Georgia, our foothold in the international market, particularly in South and North America and Europe will be further strengthened, laying a solid foundation for Hi Sun's further overseas market expansion. The stable cash inflow generated from this business segment will contribute to strengthen Hi Sun's balance sheet.

Electronic power meters and automated solutions

Market outlook remains strong with current industry trends supporting an increase in demand for advanced power meter solutions. In view of the escalating awareness on energy-saving solutions, the power management industry is demanding products with high accuracy and advanced technology in an effort to increase energy efficiency. Moreover, the Chinese government has implemented a plan to enhance the rural-urban electricity network, as stated in the November 2008 – RMB4 trillion stimulus proposal, that is expected to contribute to the market demand for electronic power meters. The Group believes PAX electricity is well positioned to benefit from these trends which is expected to contribute to the segment rebounding with a healthy growth rate in 2009.

Telecommunication solutions

Hi Sun continues to benefit from its agreement with China Mobile to provide an exclusive IVR platform which brings to the Group a perpetual revenue stream. In the fall of 2008, China Mobile received its TD-SCDMA 3G license. By 2011, major cities in the PRC are expected to be covered by a 3G network. Hi Sun expects to provide IVVR platform to China Mobile's new 3G users. Subsequent to the restructuring of the telecommunication industry in the PRC, it is anticipated that China telecommunication operators will further expand their operation and increase investment in the sector, gradually increasing the competition in the telecom industry as well as raising the demand for telecom solutions. Hi Sun believes that the competition and government investment create greater industry diversity, bringing opportunities for new products and high value-added services over the long run.

Financial solutions

The global financial turmoil has adversely impacted the economic conditions, especially to the financial institutions and it may hinder the further market expansion of Hi Sun's financial solutions. However, over the past few years, Hi Sun has adopted a prudent approach in regards to the Group's financial solutions segment. Currently, Hi Sun is developing the mobile payment solutions which will enable consumers to use their cell phones as a payment device to capture the demand for innovative telecom solution, bringing additional growth impetus to Hi Sun. This strategic move is expected to create synergy among our telecommunication solutions, financial solutions and EFT-POS terminals segments.

Hi Sun is closely monitoring the current global economic climate and its impact on the Group's businesses. The Group is also taking various measures such as reducing capital spending and implementing tighter cost control to enhance operational efficiency, in order to minimize the impact from the macro environment and maintain profitability.

Liquidity and financial resources

As at 31 December 2008, the Group reported total assets of HK$1,668.62 million (2007: HK$1,490.75 million), which were financed by total liabilities of HK$403.95 million (2007: HK$389.89 million) and equity of HK$1,264.67 million (2007: HK$1,100.86 million). The net asset value was HK$1,264.67 million (2007: HK$1,100.86 million). It amounted to HK$0.57 per share as compared to HK$0.49 per share as at 31 December 2007.

As at 31 December 2008, the Group had cash and short-term bank deposit of HK$641.56 million (2007: HK$569.72 million) and short term borrowings of HK$15.21 million (2007: HK$42.55 million). The net cash position as at 31 December 2008 was HK$626.35 million as compared to HK$527.17 million as at 31 December 2007. The short term borrowings included short term bank loan to fund the Group's working capital requirements.

Capital structure and details of charges

As at 31 December 2008, the Group's short term borrowings included short term bank loan which was denominated in Renminbi, amounting to RMB13.46 million. The short term bank loan was charged at interest of ranging from 2.5% to 8.59% per annum.

As at 31 December 2007, the Group's short term borrowings included short term bank loan which was denominated in Renminbi, amounting to RMB39.77 million. The short term bank loan was charged at interest of ranging from 7.13% to 7.60% per annum.

Approximately HK$350 million, HK$99 million, HK$190 million and HK$2 million of the Group's cash balances were denominated in Renminbi, Hong Kong dollar, US dollar and Euro respectively as at 31 December 2008.

As at 31 December 2008, short term bank loans of HK$15.21 million were secured by:

	HK$ million
The leasehold land and building of a subsidiary of the Company and the corporate guarantee from an independent third party, Shenzhen High and New Technology Investment Guarantee Company Limited	9.49
Bills receivables of a subsidiary	5.72
	15.21

Exchange rates exposure

The Group derives its revenue, makes purchases and incurs expenses denominated mainly in US dollars, Renminbi and Hong Kong dollars. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of Hong Kong dollar or Renminbi may have impact on the operating results of the Group.

Contingent liabilities

The Group had no material contingent liability as at 31 December 2008.

Employees

The total number of employees of the Group as at 31 December 2008 was 1,631. The breakdown of employees by division is as follows:

Electronic payment products and services	238
Telecommunications solutions, services and related products, and information technology operation value-added services	309
Financial solutions, services and related products and business process operations	405
Electronic power meters and solutions	665
Corporate office	14
	1,631

The Group ensures that its remuneration packages are comprehensive and competitive. Employees are remunerated with a fixed monthly income plus annual performance related bonuses. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's businesses.

Disclaimer:

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures, such as EBITDA, are used for assessing the Group performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group current financial performance. Additionally because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in our financial reporting.

CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 31 December 2008 HK$'000	2007 HK$'000
Turnover	*2*	**1,213,468**	779,605
Cost of sales	*3*	**(660,641)**	(422,767)
Gross profit		**552,827**	356,838
Other gains, net	*2*	**23,022**	113,743
Selling expenses	*3*	**(115,302)**	(70,198)
Administrative expenses	*3*	**(282,450)**	(180,818)
Operating profit		**178,097**	219,565
Finance costs	*4*	**(1,544)**	(2,797)
Profit before income tax		**176,553**	216,768
Income tax expense	*5*	**(40,875)**	(24,247)
Profit for the year		**135,678**	192,521
Attributable to:			
– Equity holders of the Company		**114,350**	184,276
– Non-controlling interests		**21,328**	8,245
		135,678	192,521
Earnings per share for profit attributable to the equity holders of the Company:			
– Basic	*6*	**HK$0.051**	HK$0.090
– Diluted	*6*	**HK$0.051**	HK$0.083

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2008** *HK$'000*	2007 *HK$'000*
ASSETS			
Non-current assets			
Investment property		**1,969**	3,363
Property, plant and equipment		**147,541**	164,817
Leasehold land		**44,180**	43,377
Intangible assets		**122,835**	122,244
		316,525	333,801
Current assets			
Inventories		**170,063**	138,581
Trade and other receivables, prepayments and deposits	*7*	**530,160**	405,548
Due from a fellow subsidiary		**1,176**	1,111
Financial assets at fair value through profit or loss		**519**	34,488
Restricted cash		**8,612**	7,500
Short-term bank deposits		**124,300**	–
Cash and cash equivalents		**517,261**	569,716
		1,352,091	1,156,944
Total assets		**1,668,616**	1,490,745
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**5,580**	5,580
Reserves		**1,191,387**	1,049,267
		1,196,967	1,054,847
Non-controlling interest		**67,702**	46,013
Total equity		**1,264,669**	1,100,860
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**6,641**	11,522
		6,641	11,522
Current liabilities			
Trade and other payables	*8*	**340,222**	301,489
Taxation payable		**41,875**	34,323
Borrowings		**15,209**	42,551
		397,306	378,363
Total liabilities		**403,947**	389,885
Total equity and liabilities		**1,668,616**	1,490,745
Net current assets		**954,785**	778,581
Total assets less current liabilities		**1,271,310**	1,112,382

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2008

	Attributable to the equity holders of the Company							
	Share capital	**Share premium**	**Contributed surplus**	**Other reserves**	**Exchange reserve**	**Retained earnings**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2008	**5,580**	**548,330**	**168,434**	**34,496**	**40,960**	**257,047**	**46,013**	**1,100,860**
Purchase of 5% equity interest in a subsidiary	**–**	**–**	**–**	**(13,292)**	**–**	**–**	**(2,242)**	**(15,534)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**114,350**	**21,328**	**135,678**
Exchange differences arising on translation of the financial statements of foreign subsidiaries	**–**	**–**	**–**	**–**	**41,062**	**–**	**2,603**	**43,665**
Balance at 31 December 2008	**5,580**	**548,330**	**168,434**	**21,204**	**82,022**	**371,397**	**67,702**	**1,264,669**
Balance at 1 January 2007	4,699	269,586	168,434	156,494	7,688	72,771	–	679,672
Profit for the year	–	–	–	–	–	184,276	8,245	192,521
Shares issued under share options scheme of the Company	208	15,474	–	–	–	–	–	15,682
Issue of new shares upon the conversion of convertible preference shares issued by subsidiaries	581	171,112	–	(149,614)	–	–	–	22,079
Employee share option scheme – value of employee services	–	–	–	27,616	–	–	–	27,616
Deemed disposal of a subsidiary	–	–	–	–	–	–	34,868	34,868
Acquisition of subsidiaries	92	92,158	–	–	–	–	776	93,026
Exchange differences arising on translation of the financial statements of foreign subsidiaries	–	–	–	–	33,272	–	2,124	35,396
Balance at 31 December 2007	5,580	548,330	168,434	34,496	40,960	257,047	46,013	1,100,860

Notes:

1. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Standards, amendments and interpretations effective in 2008 which are relevant to and have been adopted by the Group:

HKAS 39	Financial instruments: Recognition and measurement[1]
HK(IFRIC)-Int 11	HKFRS 2 – Group and treasury share transactions[2]

[1] This amendment does not have any impact on the Group's financial statements, as the Group has not reclassified any financial assets.

[2] This interpretation does not have any impact on the Group's financial statements.

(b) Standards early adopted by the Group in 2008

HKAS 27 (Revised)	Consolidated and separate financial statements
HKFRS 3 (Revised)	Business combinations

HKAS 27 (Revised), 'Consolidated and separate financial statements' requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The Group has applied HKAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2008.

HKFRS 3 (Revised), 'Business combinations', continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated income statement. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group has applied HKFRS 3 (Revised) prospectively to all business combinations from 1 January 2008.

(c) Standards, amendments and interpretations in issue but not yet effective and have not been early adopted by the Group:

HKFRSs (Amendments)	Improvements to HKFRSs[3]
HKAS 1 (Revised)	Presentation of Financial Statements[4]
HKAS 23 (Revised)	Borrowing Costs[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligation arising on Liquidation[4]
HKAS 39 (Amendment)	Eligible Hedged Items[5]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[4]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[4]
HKFRS 8	Operating Segments[4]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[4]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[4]
HK(IFRIC)-Int 16	Hedges of a Net Investments in a Foreign Operation[4]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[5]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[5]

[3] Effective for the Group for annual periods beginning 1 January 2009 except the amendments to HKFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" which is effective for the Group for annual periods beginning 1 January 2010

[4] Effective for the Group for annual periods beginning 1 January 2009

[5] Effective for the Group for annual periods beginning 1 January 2010

The Group has already commenced an assessment of the impact of adoption of standards, amendments and interpretations listed above but is not yet in a position to state whether these new standards, amendments and interpretations to existing standards would result in substantial changes to the Group's accounting policies and financial position.

2. Turnover, other gains and segment information

The Group is principally engaged in the sales of information technology products, electronic payment products and services, sales of electronic power meters and solutions, provision of business process operation services, provision of information system consultancy and integration services and provision of information technology operation value-added services. Turnover and other gains recognised during the year are as follows:

	For the year ended	
	2008	2007
	HK$'000	*HK$'000*
Turnover		
Sales of information technology products, electronic payment products and services	**509,779**	344,234
Sales of electronic power meters and solutions	**350,167**	120,472
Provision of business process operation services	**23,286**	12,282
Provision of information system consultancy and integration services	**83,295**	93,607
Information technology operation value-added services	**245,942**	207,959
Rental income	**999**	1,051
	1,213,468	779,605
Other gains, net		
Interest income	**4,400**	9,303
Gain on deemed disposal of 20% equity interest in a subsidiary	**–**	43,258
(Loss)/gain on disposal of financial assets at fair value through profit or loss	**(6,613)**	43,101
Dividend income on financial assets at fair value through profit or loss	**432**	672
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(251)**	6,155
Value added tax refund	**16,694**	2,478
Subsidy income	**2,969**	637
Other service income	**2,946**	1,878
Others	**2,445**	6,261
	23,022	113,743
Turnover and other gains	**1,236,490**	893,348

Primary reporting format – business segments

The Group is organised into six main business segments:

(a) Electronic payment products and services – sales of electronic fund transfer point-of-sale ("EFT-POS") terminals and provision of related services;

(b) Telecommunication solutions:

   (i) Information technology operation value-added services – provision of Interactive Voice Response ("IVR") services;

   (ii) Telecommunication solutions, services and related products – provision of information system consultancy and integration services and sales of information technology products to the telecommunications industries;

(c) Financial solutions:

   (i) Financial solutions, services and related products – provision of information system consultancy and integration services and sales of information technology products to financial institutions and banks;

   (ii) Business process operations – provision of outsourcing services to financial institutions and banks with payment solutions; and

(d) Electronic power meters and solutions – manufacturing and sales of electronic power meters, data collection terminals and provision of information system consultancy services.

There are no sales or other transactions between the business segments.

The segment results for the year ended 31 December 2008 and segment assets and liabilities at 31 December 2008 and capital expenditure for the year then ended are as follows:

	Electronic payment products and services *HK$'000*	Information technology operation value-added services *HK$'000*	Telecom-munication solutions, services and related products *HK$'000*	Financial solutions, services and related products *HK$'000*	Business process operations *HK$'000*	Electronic power meters and solutions *HK$'000*	Unallocated *HK$'000*	Group *HK$'000*
Turnover	493,589	245,942	2,163	97,322	23,286	350,167	999	1,213,468
Other gains, net	5,012	–	46	–	–	11,636	6,328	23,022
Operating profit/(loss) before depreciation and amortisation	113,922	135,156	(139)	(55,029)	12,490	58,149	(38,412)	226,137
Depreciation	(1,730)	(11,167)	–	(1,456)	(13,331)	(11,148)	(436)	(39,268)
Amortisation	(5)	–	–	–	–	(8,007)	(760)	(8,772)
Segment results	112,187	123,989	(139)	(56,485)	(841)	38,994	(39,608)	178,097
Finance costs							(1,544)	(1,544)
Profit before income tax								176,553
Income tax expense								(40,875)
Profit for the year								135,678
Segment assets	483,916	314,573	2,615	62,247	69,320	516,057	219,888	1,668,616
Segment liabilities	(131,257)	(29,178)	(1,651)	(34,425)	–	(141,619)	(65,817)	(403,947)
Other segment information:								
Depreciation of property, plant and equipment	1,730	11,167	–	1,456	13,331	11,148	327	39,159
Depreciation of investment property	–	–	–	–	–	–	109	109
Amortisation of leasehold land	5	–	–	–	–	305	760	1,070
Amortisation of intangible assets	–	–	–	–	–	7,702	–	7,702
Provision for impairment of trade receivables	476	–	–	55	–	13,713	–	14,244
Write-back of provision for obsolete inventories	–	–	–	–	–	(8,890)	–	(8,890)
Provision for inventories								
– merchandise goods	244	1,821	–	–	–	–	–	2,065
– capitalised labour cost and overheads	–	–	–	28,881	–	–	–	28,881
Loss/(gain) on disposal of property, plant and equipment	14	(27)	–	1	–	917	–	905
Capital expenditure	1,796	5,160	–	801	3,358	4,567	25	15,707

The segment results for the year ended 31 December 2007 and segment assets and liabilities at 31 December 2007 and capital expenditure for the year then ended are as follows:

	Electronic payment products and services *HK$'000*	Information technology operation value-added services *HK$'000*	Telecommunication solutions, services and related products *HK$'000*	Financial solutions, services and related products *HK$'000*	Business process operations *HK$'000*	Electronic power meters and solutions *HK$'000*	Unallocated *HK$'000*	Group *HK$'000*
Turnover	323,143	207,959	2,851	111,847	12,282	120,472	1,051	779,605
Other gains, net	650	–	133	194	–	1,501	111,265	113,743
Operating profit/(loss) before depreciation and amortisation	64,970	122,453	2,360	(6,320)	2,516	10,792	52,805	249,576
Depreciation	(1,425)	(9,309)	–	(1,786)	(8,752)	(4,540)	(394)	(26,206)
Amortisation	(5)	–	–	–	–	(3,040)	(760)	(3,805)
Segment results	63,540	113,144	2,360	(8,106)	(6,236)	3,212	51,651	219,565
Finance costs							(2,797)	(2,797)
Profit before income tax								216,768
Income tax expense								(24,247)
Profit for the year								192,521
Segment assets	351,438	209,711	4,150	199,715	51,962	467,346	206,423	1,490,745
Segment liabilities	(115,228)	(14,247)	(3,060)	(39,413)	–	(160,664)	(57,273)	(389,885)
Other segment information:								
Depreciation of property, plant and equipment	1,425	9,309	–	1,786	8,752	4,540	217	26,029
Depreciation of investment property	–	–	–	–	–	–	177	177
Amortisation of leasehold land	5	–	–	–	–	148	760	913
Amortisation of intangible assets	–	–	–	–	–	2,892	–	2,892
Recovery of bad debts	–	–	–	–	–	(1,140)	–	(1,140)
Write-back of provision for impairment of trade receivables	–	–	(2,330)	(566)	–	–	–	(2,896)
Provision for impairment of trade receivables	730	–	–	14	–	–	67	811
Write-back of provision for obsolete inventories	–	–	(591)	(211)	–	–	–	(802)
Provision for inventories	1,419	–	–	–	–	2,149	–	3,568
Loss on disposal of property, plant and equipment	–	–	–	–	–	3,039	190	3,229
Capital expenditure	607	3,895	–	3,446	24,878	215,193	283	248,302

Secondary reporting format – Geographical segments

The Group's six business segments operate in two main geographical areas:

Mainland China	–	electronic payment products and services, information technology operation value-added services, telecommunication solutions, services and related products, financial solutions, services and related products, business process operations, and electronic power meters and solutions
Hong Kong, South East Asia, United States of America and others	–	electronic payment products and services, financial solutions, services and related products, and electronic power meters and solutions

There are no sales or other transactions between the geographical segments.

Revenue is allocated based on the countries in which the customers are located.

	Turnover 2008 *HK$'000*	Segment results 2008 *HK$'000*	Total assets 2008 *HK$'000*	Capital expenditure 2008 *HK$'000*
Mainland China	**1,074,872**	**223,448**	**1,320,052**	**15,637**
Hong Kong, South East Asia, United States of America and others	**138,596**	**(5,236)**	**133,405**	**45**
	1,213,468	**218,212**	**1,453,457**	**15,682**
Other gains, net, unallocated		**6,328**		
Unallocated expenses		**(46,443)**		
Operating profit		**178,097**		
Unallocated assets			**215,159**	
Total assets			**1,668,616**	
Unallocated capital expenditure				**25**
Total capital expenditure				**15,707**

	Turnover 2007 *HK$'000*	Segment results 2007 *HK$'000*	Total assets 2007 *HK$'000*	Capital expenditure 2007 *HK$'000*
Mainland China	698,518	168,858	1,104,553	247,965
Hong Kong, South East Asia and others	81,087	(908)	179,769	337
	779,605	167,950	1,284,322	248,302
Other gains, net, unallocated		111,265		
Unallocated expenses		(59,650)		
Operating profit		219,565		
Unallocated assets			206,423	
Total assets			1,490,745	
Unallocated capital expenditure				–
Total capital expenditure				248,302

Segment assets consist primarily of property, plant and equipment, intangible assets, land use rights, inventories, receivables and operating cash. They exclude deferred income tax assets.

Segment liabilities consist primarily of operating liabilities. They exclude deferred income tax liabilities and income tax payable.

Capital expenditure comprises additions to leasehold land, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

Total assets and capital expenditure are allocated based on where the assets are located.

3. **Expenses by nature**

Expenses included in cost of sales, selling expenses and administrative expenses are analysed as follows:

	2008	2007
	HK$'000	*HK$'000*
Auditor's remuneration	**2,732**	3,406
Depreciation of property, plant and equipment	**39,159**	26,029
Depreciation of investment property	**109**	177
Amortisation of leasehold land	**1,070**	913
Amortisation of intangible assets	**7,702**	2,892
Employee benefit expense (including Directors' emoluments)	**216,251**	182,060
Costs of inventories sold	**519,108**	292,872
Operating lease rentals for land and buildings	**10,363**	10,664
Operating lease rentals for equipment	**12,084**	11,161
Research and development costs	**22,503**	13,832
Loss on disposal of property, plant and equipment	**905**	3,229
Provision for impairment of trade receivables	**14,244**	811
Write-back of provision for impairment of trade receivables	**–**	(2,896)
Recovery of bad debts	**–**	(1,140)
Provision for inventories		
– merchandise goods	**2,065**	3,568
– capitalised labour cost and overheads	**28,881**	–
Write-back of provision for obsolete inventories	**(8,890)**	(802)

4. **Finance costs**

	2008	2007
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts	**1,554**	2,464
Interest on financial liability portion of convertible preference shares issued by a subsidiary	**–**	333
	1,554	2,797

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2008	2007
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**530**	–
– Overseas taxation	**45,323**	25,625
Deferred income tax	**(5,478)**	(2,258)
Underprovision in previous year	**500**	880
Income tax expense	**40,875**	24,247

Effective from 1 January 2008, the subsidiaries of the Company are subject to the corporate income tax in accordance with the new China Income Tax ("CIT") Law as approved by the National People's Congress on 16 March 2007. According to the new CIT Law and the relevant regulations, the new enterprise income tax rate applicable to the subsidiaries of the Group is 25% unless preferential rates are applicable in the cities where the subsidiaries are located.

Under the new CIT Law, operating subsidiaries of the Company which are qualified as High & New Technology Enterprises are eligible to enjoy a reduced income tax rate of 15%.

	2008	2007
	HK$'000	*HK$'000*
Profit before income tax	**176,553**	216,768
Tax calculated at domestic tax rates applicable to profits in the respective countries	**24,115**	22,342
Effect of changes in tax rates	**(2,179)**	–
Income not subject to taxation	**(7,829)**	(17,472)
Expenses not deductible for taxation purposes	**7,144**	14,189
Utilisation of previously unrecognised tax losses	**(1,385)**	(539)
Unrecognised tax losses	**20,509**	4,847
Underprovision in previous year	**500**	880
Income tax expense	**40,875**	24,247

6. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	For the year ended 31 December	
	2008	2007
Profit attributable to equity holders of the Company *(HK$'000)*	**114,350**	184,276
Weighted average number of ordinary shares in issue *(thousands)*	**2,231,973**	2,050,870
Basic earnings per share *(HK$ per share)*	**0.051**	0.090

(b) Diluted

Diluted earnings per share is calculated by adjusting the number of ordinary shares outstanding to assume conversion of all potentially dilutive shares. The Company has two categories of potentially dilutive shares: convertible preference shares issued by subsidiaries and share options. The convertible preference shares issued by subsidiaries are assumed to be converted into ordinary shares of the Company and the net profit is adjusted to eliminate the interest expense less the tax effect. All convertible preference shares issued by subsidiaries have been converted into ordinary shares of the Company during the year ended 31 December 2007. For the share options, a calculation is done to determine the number of shares that would have been acquired at fair value (determined as the average market share price of the Company's shares during the current year) based on the monetary value of the subscription rights attached to these outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share for the year ended 31 December 2008 is the same as the basic earnings per share as the conversion of potential ordinary shares in relation to the outstanding share options would have an anti-dilutive effect to the basic earnings per share.

Diluted earnings per share for the year ended 31 December 2007 is calculated as follow:

	For the year ended 31 December 2007
Profit attributable to equity holders of the Company *(HK$'000)*	184,276
Interest expense on convertible preference shares issued by a subsidiary *(HK$'000)*	333
Profit used to determine diluted earnings per share *(HK$'000)*	184,609
Weighted average number of ordinary shares in issue *(thousands)*	2,050,870
Adjustments for	
– assumed conversion of convertible preference shares issued by subsidiaries *(thousands)*	124,799
– share options *(thousands)*	40,619
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	2,216,288
Diluted earnings per share *(HK$ per share)*	0.083

7. Trade and other receivables, prepayments and deposits

	2008 *HK$'000*	2007 *HK$'000*
Trade receivables *(Note (a))*	**328,443**	250,962
Bills receivables *(Note (b))*	**161,930**	95,403
Less: provision for impairment of receivables *(Note (c))*	**(16,021)**	(1,615)
	474,352	344,750
Prepayments, deposits and other receivables	**55,808**	60,798
	530,160	405,548

Note (a): Trade receivables

The Group's credit terms to trade debtors range from 0 to 180 days. At 31 December 2008 and 2007, the ageing analysis of the trade receivables was as follows:

	2008	2007
	HK$'000	*HK$'000*
Current to 90 days	**217,517**	186,567
91 to 180 days	**51,539**	25,456
181 to 365 days	**27,099**	14,278
Over 365 days	**32,288**	24,661
	328,443	250,962

The Group's sales are made to several major customers and there is concentration of credit risks. Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Note (b): Bills receivables

The balance represents bank acceptance notes with maturity dates within six months:

The maturity profile of the bills receivable of the Group is as follows:

	2008	2007
	HK$'000	*HK$'000*
Falling within 90 days	**74,910**	30,212
Falling within 91 to 180 days	**87,020**	65,191
	161,930	95,403

As at 31 December 2008, the Group's bills receivable amounting to HK$5,717,000 (2007: HK$10,550,000) were pledged to banks for short-term bank borrowings.

Note (c): Provision for impairment of receivables

The movement on the provision for impairment of receivables are as follows:

	2008	2007
	HK$'000	*HK$'000*
At 1 January	**1,615**	4,318
Write-back of provision	**–**	(2,896)
Provision recognised in the consolidated income statement	**14,244**	811
Receivables written-off during the year as uncollectible	**(55)**	(749)
Exchange difference	**217**	131
At 31 December	**16,021**	1,615

8. Trade and other payables

	2008	2007
	HK$'000	*HK$'000*
Trade payables (Note below)	**186,495**	130,057
Other payables and accruals	**119,132**	143,656
Pension obligations	**5,541**	10,228
Social security and other taxes	**29,054**	17,548
	340,222	301,489

Note: At 31 December 2008 and 2007, the ageing analysis of the trade payables was as follows:

	2008	2007
	HK$'000	*HK$'000*
Current to 90 days	**152,235**	98,001
91 to 180 days	**21,986**	14,097
181 to 365 days	**2,414**	5,123
Over 365 days	**9,860**	12,836
	186,495	130,057

9. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

These reclassifications have no impact on the Group's total equity as at both 31 December 2007 and 2008, or on the Group's profit for the years ended 31 December 2007 and 2008.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

SHARE OPTION SCHEME

(a) The Company

The Company operates a share option scheme (the 'Scheme") for the purpose of attracting, retaining and motivating talented employees in order to strive for future developments and expansion of the Group. The Scheme became effective on 29 November 2001 and unless otherwise cancelled or amended, will remain valid and effective for a period of 10 years from that date.

On 18 March 2004, 33,000,000 share options were granted to certain directors and employees at an exercise price of HK$0.374 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by the Stock Exchange of Hong Kong Limited for the five business days immediately preceding 18 March 2004) with an expiry date of 17 March 2014.

On 26 September 2005, 33,300,000 share options were granted to certain directors and employees at an exercise price of HK$0.768 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by the Stock Exchange of Hong Kong Limited for the five business days immediately preceding 26 September 2005) with an expiry date of 25 September 2015.

Pursuant to an ordinary resolution passed on 28 June 2006, each of the existing issued and unissued ordinary shares of HK$0.01 each in the share capital of the Company was subdivided into four ordinary shares of HK$0.0025 each (the 'Share Subdivision"), which was approved by the shareholders of the Company and became effective on 29 June 2006.

The Share Subdivision has led to an adjustment to the exercise prices of the outstanding options and the number of shares to be issued by the Company upon exercise of the outstanding options. For share options with exercise period from 18 March 2004 to 17 March 2014, the number of shares to be issued by the Company upon full exercise of such outstanding options immediately before the Share Subdivision has been increased from 23,000,000 shares to 92,000,000 shares and the exercise price has been adjusted from HK$0.374 to HK$0.0935 per share. For share options with exercise period from 26 September 2005 to 25 September 2015, the number of shares to be issued by the Company upon full exercise of such options immediately before the Share Subdivision has been increased from 33,300,000 shares to 133,200,000 shares and the exercise price has been adjusted from HK$0.768 to HK$0.192 per Share.

On 2 January 2007, 43,000,000 share options were granted to certain employees at an exercise price of HK$2 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by Stock Exchange of Hong Kong Limited for the five business days immediately preceding 2 January 2007) with an expiry date of 1 January 2010.

There are no changes in any term of the Scheme during the year ended 31 December 2008.

During the year ended 31 December 2008, no share options have been granted, exercised or lapsed. The Group has no legal or constructive obligation to purchase or settle the option in cash. As at the date of this announcement, the Company has 41,458,000 share options outstanding.

(b) Employee incentive scheme of a subsidiary

On 4 April 2005, the Company approved its wholly-owned subsidiary, Turbo Speed Technology Limited ("Turbo Speed"), to adopt an employee incentive scheme (the "Employee Incentive Scheme") to motivate the employees of Turbo Speed and its subsidiary (the "Turbo Speed Group"). The Employee Incentive Scheme became effective from 4 April 2005 to 31 December 2008. Unless terminated by resolution of remuneration committee formed by the Board to administer the Employee Incentive Scheme.

On 8 July 2005, 1,425,000 share options had been granted to subscribe ordinary shares of Turbo Speed at an exercise price of HK$1.922 per share. The exercisable period of the above share options is from 8 July 2005 to 31 December 2008 (both dates inclusive).

During the year ended 31 December 2008, no share options have been exercised and 180,000 share options have been lapsed. As at 31 December 2008, no share option in Turbo Speed was outstanding.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry had been made to all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2008.

The Company has also established written guidelines with exact terms as set out in Appendix 10 to the Listing Rules for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Throughout the year, the Company has complied with most of the Code Provisions and certain deviations from the Code Provisions in respect of Code Provision E.1.2, will be explained in the Corporate Governance Report in the 2008 Annual Report. Reference is also made to the disclosure in the Corporate Governance Report in the 2007 Annual Report in this respect.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board and the Company's auditor in matters coming within the scope of the group audit. It also reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluation. The Committee comprises three independent non-executive Directors, Tam Chun Fai, Leung Wai Man, Roger and Xu Sitao. Two meetings were held during year.

SUBSEQUENT EVENTS

(a) Incorporation of a new wholly owned subsidiary

On 11 March 2009, the Company incorporated a new wholly owned subsidiary 湖南商陽通聯信息技術有限公司 (Hunan HiSun Mobile Pay IT Ltd) ("Hunan HiSun") in Hunan PRC. The principal activity of Hunan Hisun is to develop the mobile payment solutions which will enable consumers to use their cell phones as a payment device to capture the demand for innovative telecom solutions, bringing additional growth impetus to Hi Sun. This strategic move is expected to create synergy among our telecommunication solutions, financial solutions and EFT-POS terminals segments.

(b) Disposal of Sale Shares and adoption of PAX Share Option Scheme

On 30 March 2009, PAX Technology Limited ("PAX") (an indirect non wholly-owned subsidiary of the Company) entered into the conditional sale and purchase agreement (the "Sale and Purchase Agreement") with the Company, Dream River Limited (the "Purchaser") and Hi Sun Technology Holding Limited, an indirect wholly-owned subsidiary of the Company (the "Transferor"), pursuant to which the Purchaser has conditionally agreed to purchase the 8,750,000 PAX ordinary shares (the "Sale Shares") held by the Transferor, and the Transferor has conditionally agreed to sell the Sale Shares to the Purchaser at the consideration of US$20 million (equivalent to approximately HK$155.4 million). Immediately upon registration of the Sale Shares in the name of the Purchaser, the Sale Shares shall be re-designated as the PAX Series B preference shares on a one-to-one basis and those PAX Series B preference shares shall represent 20% of the total issued share capital of PAX.

The completion of the Sale and Purchase Agreement is subject to certain conditions as stipulated in the Sale and Purchase Agreement.

PAX also intends to adopt a PAX Share Option Scheme for the issuance of such number of PAX ordinary shares representing no more than 5% of the total number of PAX shares in issue immediately after the completion of the Sale and Purchase Agreement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2008. The figures in respect of the announcement of the Group's results for the year ended 31 December 2008 have been agreed by the Group's auditor, PwC Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PwC Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC Hong Kong on the announcement.

PENSION SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Pension Scheme") set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Particulars of the Pension Scheme will be set out in the 2008 Annual Report.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 7% to 20% of the wages for the year of those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, the Directors confirm that the Company has maintained during the year the amount of public float as required under the Listing Rules.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The 2008 annual results announcement is published on the Company's website at www.hisun.com.hk and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. The 2008 annual report will be available on the websites of The Stock Exchange of Hong Kong Limited and the Company and will be despatched to all shareholders in due course.

The 2008 annual financial information set out above does not constitute the Group's statutory financial statements for the financial year ended 31 December 2008. Instead, it has been derived from the Group's audited consolidated financial statements for the financial year ended 31 December 2008, which will be included in the Company's 2008 annual report.

By Order of the Board
Li Wenjin
Executive Director

Hong Kong, 6 April 2009

As at the date of this announcement, the Board consists of five executive Directors, namely, Cheung Yuk Fung, Kui Man Chun, Xu Wensheng, Li Wenjin and Xu Chang Jun; and three independent non-executive Directors, namely Tam Chun Fai, Leung Wai Man, Roger and Xu Sitao.

* *For identification purpose only*