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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 TRANSACTION  
IN RELATION TO  
DISPOSAL OF SHARES  
IN PAX GLOBAL TECHNOLOGY LIMITED**

**Sole Placing Agent**



The Board announces that on 15 September 2014 (after trading hours), the Company entered into the Block Trade Agreement with the Manager pursuant to which the Manager has agreed, as exclusive agent of the Company, to procure purchasers to purchase, or failing which, to purchase itself, 80,000,000 Sale Shares at a price of HK\$7.5 per Sale Share, raising aggregate gross proceeds of HK\$600 million.

The Disposal constitutes a discloseable transaction for the Company which is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 15 September 2014 (after trading hours), the Company and the Manager entered into the Block Trade Agreement, the major terms of which are set below.

\* for identification purpose only

## **THE BLOCK TRADE AGREEMENT**

### **Date:**

15 September 2014

### **Parties:**

1. The Company
2. The Manager

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Manager and the Placee(s) (and where applicable, the Placees' ultimate beneficial owners) are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

### **Sale of Sale Shares**

Pursuant to the Block Trade Agreement, the Manager has agreed, as exclusive agent of the Company, to procure purchasers to purchase, or failing which, to purchase itself 80,000,000 Sale Shares at a price of HK\$7.5 per Sale Share. The Disposal is fully underwritten by the Manager subject to the terms and conditions of the Block Trade Agreement.

### **Sale Shares**

Immediately before the signing of the Block Trade Agreement, the Company held 444,000,000 PAX Global Shares. The 80,000,000 Sale Shares in aggregate represent approximately 7.27% of the total issued share capital of PAX Global as at 31 August 2014.

### **Sale Price**

The Sale Price is HK\$7.5 per Sale Share and represents:

- (i) a discount of approximately 9.75% to the closing price of HK\$8.310 per PAX Global Share as quoted on the Stock Exchange on 15 September 2014, being the date of the Block Trade Agreement;
- (ii) a discount of approximately 8.36% to the average closing price of HK\$8.184 per PAX Global Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the date of the Block Trade Agreement; and
- (iii) a discount of approximately 6.11% to the 10-day average closing price of HK\$7.988 per PAX Global Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the date of the Block Trade Agreement.

The Sale Price was determined after arm's length negotiations between the Company and the Manager by reference to market conditions and the share price of PAX Global. The Directors consider that the Sale Price and the terms of the Block Trade Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## Conditions of the Disposal

Completion of the Disposal is subject to the conditions that:

- (i) before the Closing, there shall not have occurred:
  - (A) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business or operations of PAX Global, or PAX Global and its subsidiaries taken as a whole; or
  - (B) any downgrading in the rating accorded the debt securities of PAX Global or any of its subsidiaries by any internationally recognised rating agency, and no such agency has publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the debt securities of PAX Global or any of its subsidiaries; or
  - (C) any suspension or limitation of trading (a) in any of PAX Global's securities by the Stock Exchange, or (b) generally on the Stock Exchange or the New York Stock Exchange; or
  - (D) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, Japan, Singapore, the United States or the United Kingdom, any other member of the EEA or any other relevant jurisdictions of a national emergency or war or other calamity or crisis; or
  - (E) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom, any other member of the EEA or any other relevant jurisdiction(s); or
  - (F) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom, any other member of the EEA or any other relevant jurisdiction(s) or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation; or
  - (G) all consents and approvals, if any, of the Company or any regulatory or governmental authority or agency having jurisdiction over the Company or the transactions contemplated by the Block Trade Agreement required to be obtained for the execution, delivery and performance of the Block Trade Agreement by the Company having been obtained and are in full force and effect,

that, in the sole judgment of the Manager, would make the placement of the Sale Shares or the enforcement of contracts to purchase the Sale Shares impracticable or inadvisable, or would materially prejudice trading of the Sale Shares in the secondary market;

- (ii) representations and warranties made by the Company, pursuant to the Block Trade Agreement, being true and accurate and not misleading as of the date of the Block Trade Agreement and the Closing Date; and
- (iii) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be performed or satisfied under the Block Trade Agreement on or before the Closing Date; and

The Company shall use its reasonable endeavours to procure the fulfilment of the foregoing conditions on or before the Closing Date. In the event that: (1) any of the events set out in (i) above occurs at any time between the date of the Block Trade Agreement and 3:00 p.m. (Hong Kong time) on the Closing Date and, in the judgment of the Manager, the occurrence of such event(s) would make the placement of the Sale Shares or the enforcement of contracts to purchase the Sale Shares impracticable or inadvisable, or would materially prejudice trading of the Sale Shares in the secondary market, or (2) the Company does not deliver the Sale Shares as on the Closing Date, or (3) any of conditions in (ii) through to (iii) above has not been satisfied or waived by the Manager (in its sole discretion) on the dates specified therein, the Manager may elect, in its absolute discretion, by notice in writing to the Company to terminate the Block Trade Agreement forthwith, provided that certain miscellaneous clauses in the Block Trade Agreement shall survive such termination and remain in full force and effect.

### **Lock Up**

Subject to Closing having taken place, the Company has given a lock-up undertaking to the Manager in respect of PAX Global Shares and/or interest therein for the period from the date of the Block Trade Agreement and until and including the date being 90 days after the Closing Date.

### **Completion**

The closing of the Disposal (“**Closing**”) shall take place on the third business day after the date of the Block Trade Agreement or at such other time and/or date as the Company and the Manager agree (“**Closing Date**”).

### **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is principally engaged in investment holding. The Group is principally engaged in the provision of telecommunication solutions, provision of financial solutions, provision of payment platform solutions, provision of payment processing solutions and sales of electronic power meters and solutions.

### **INFORMATION ON PAX GLOBAL GROUP**

PAX Global Group is an E-payment Terminal solutions provider and is principally engaged in the development and sale of E-payment Terminal products and the provision of solution services.

## FINANCIAL INFORMATION OF PAX GLOBAL

As disclosed in the annual report of PAX Global for the year ended 31 December 2013, set out below is the audited net profits before and after tax of PAX Global Group for the two financial years ended 31 December 2012 and 2013:

	For the year ended 31 December	
	2012 HK\$'000	2013 HK\$'000
Net profit before tax	223,256	266,190
Net profit after tax	182,959	226,540

The unaudited consolidated total asset value and net asset value of PAX Global Group as at 30 June 2014 were approximately HK\$3,068,769,000 and HK\$2,316,767,000 respectively.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Disposal represents an opportunity to realise part of its investments in PAX Global so as to raise additional working capital for the Group. Immediately after completion of the Disposal, the Group will continue to hold 364,000,000 PAX Global Shares, representing approximately 33.10% of the total issued share capital of PAX Global as at 31 August 2014. The Company does not foresee any change in the business relationship between the Group and PAX Global Group after completion of the Disposal.

## USE OF PROCEEDS

The Directors expect that the gross proceeds from the Disposal will be approximately HK\$600 million and the net proceeds from the Disposal (after deducting commission to the Manager and related costs and expenses) will be approximately HK\$592 million, which will be used as general working capital of the Group.

## FINANCIAL EFFECT OF THE DISPOSAL

Immediately after completion of the Disposal, the Group will continue to hold 364,000,000 PAX Global Shares, representing approximately 33.10% of the total issued share capital of PAX Global as at 31 August 2014. The Group will record a gain of approximately HK\$307 million as a result of the Disposal, being the difference between the net proceeds from the Disposal of approximately HK\$592 million and the carrying amount of the Sale Shares as at 30 June 2014 of approximately HK\$287 million and a release of reserve of approximately HK\$2 million. Nevertheless, Shareholders should note that the exact financial effect of the Disposal is subject to the review and approval of the auditors of the Company.

After completion of the Disposal, PAX Global will remain as an associate of the Company and will be accounted for using the equity accounting method in the consolidated financial statements of the Company.

## IMPLICATIONS UNDER THE LISTING RULES

All applicable percentage ratios applicable to the Disposal under Chapter 14 of the Listing Rules exceed 5% but are below 25%, other than the profits ratio, which produces an anomalous result. The Company sought and obtained confirmation from the Stock Exchange that the Company may disregard the profits ratio for this Disposal. Accordingly, the Disposal constitutes a discloseable transaction for the Company which is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Block Trade Agreement”	the block trade agreement dated 15 September 2014 entered into between the Company and the Manager relating to the Disposal
“Board”	the board of Directors
“Closing Date”	has the meaning ascribed to that term under the paragraph headed “Completion” in this announcement
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to that term in the Listing Rules
“Directors”	directors of the Company
“Disposal”	the sale by the Manager on behalf of the Company of the Sale Shares pursuant to the Block Trade Agreement
“EEA”	European Economic Area
“E-payment Terminal”	electronic funds transfer point-of-sale
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Manager”	Barclays Bank PLC, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“PAX Global”	PAX Global Technology Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 327)
“PAX Global Group”	PAX Global and its subsidiaries
“PAX Global Shares”	ordinary shares of HK\$0.10 each in the share capital of PAX Global
“Placee(s)”	any professional institutional and other investor whom the Manager has procured to purchase any of the Sale Shares pursuant to its obligations under the Block Trade Agreement
“PRC”	the People’s Republic of China
“Sale Price”	HK\$7.5 per Sale Share
“Sale Shares”	80,000,000 PAX Global Shares currently held by the Company, representing approximately 7.27% of the total issued share capital of PAX Global as at 31 August 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**HI SUN TECHNOLOGY (CHINA) LIMITED**  
**Li Wenjin**  
*Executive Director*

Hong Kong, 16 September 2014

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