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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: PURCHASE OF E-PAYMENT TERMINAL PRODUCTS

During the Relevant Period, the Group (through VBill) has purchased from PAX Global Group (through PAX Computer Shenzhen) E-payment Terminal products in the aggregate amount of approximately HK\$151.2 million (inclusive of tax payable by the Group).

One of the applicable percentage ratios applicable to the Transactions under Chapter 14 of the Listing Rules exceeds 5% but all the applicable ratios are below 25%. Accordingly, the Transactions constitute a discloseable transaction for the Company which is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

** For identification purposes only*

PURCHASE OF E-PAYMENT TERMINAL PRODUCTS

Subject matter

In connection with the business of provision of payment processing solutions, the Group from time to time purchases E-payment Terminal products from PAX Global Group.

During the Relevant Period, the Group (through VBill) has purchased from PAX Global Group (through PAX Computer Shenzhen) E-payment Terminal products in the aggregate amount of approximately HK\$151.2 million (inclusive of tax payable by the Group).

The Group provides the E-payment Terminal products to its merchant customers and in return, the Group imposes a fee. The E-payment Terminal products the Group procured from PAX Global Group during the Relevant Period have been recorded as fixed assets while the relevant depreciation charges have been recorded as cost of sales in the financial statements of the Group.

During the Relevant Period, relevant members of the Group and of PAX Global Group have from time to time entered into individual agreements setting out the detailed terms of the sale and purchase of the relevant E-payment Terminal products.

Pricing

The prices payable for the E-payment Terminal products were agreed between the Group and PAX Global Group by reference to the prevailing market prices of products with similar specifications at the relevant time.

Payment

The Group generally settles the purchase price with PAX Global Group every six months.

HISTORICAL AMOUNT OF THE TRANSACTIONS

Set out below are the historical amounts of the purchase of E-payment Terminal products by the Group from the PAX Global Group which have been recorded as fixed assets (inclusive of tax payable by the Group) for the two years ended 31 December 2016 and 2017:

For the year ended 31 December 2017	HK\$157,004,000
For the year ended 31 December 2016	HK\$157,127,000

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Transactions were in the ordinary and usual course of the principal business of VBill. The Directors considered that the terms of the Transactions were on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The Company is an investment holding company and its subsidiaries are principally engaged in provision of payment processing solutions, provision of financial solutions, sales of electronic power meters and solutions, sales of information security chips and solutions and provision of platform operation solutions.

VBill is principally engaged in provision of payment processing solutions in the PRC.

PAX Computer Shenzhen is principally engaged in the development and sales of E-payment Terminal products and provision of payment solutions services and maintenance services.

As at the date of this announcement, the Group holds approximately 33.1% of the issued share capital of PAX Global. PAX Global is treated as an associate of the Company and is accounted for using the equity accounting method in the consolidated financial statements of the Company. Save as aforesaid, PAX Computer Shenzhen and its respective ultimate beneficial owners is a third party independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

LISTING RULES IMPLICATIONS

One of the applicable percentage ratios applicable to the Transactions under Chapter 14 of the Listing Rules exceeds 5% but all the applicable ratios are below 25%. Accordingly, the Transactions constitute a discloseable transaction for the Company which is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

During the Previous Period, the Group (through VBill and MS) has also purchased from PAX Global Group (through PAX Computer Shenzhen and PAX HK) E-payment Terminal products in the aggregate amount of approximately HK\$187.5 million (inclusive of tax payable by the Group). These purchases also constituted discloseable transactions for the Company, details of which are set out in the Company's announcement dated 31 March 2017.

The Company will comply with the relevant requirements of the Listing Rules as and when applicable.

DEFINITIONS

In this announcement, the following terms have the meanings set forth opposite them:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liabilities, the shares of which are listed on the Stock Exchange (Stock code: 818);
“Directors”	the directors of the Company;
“E-payment Terminal”	electronic funds transfer point-of-sale terminal;
“Group”	the Company and its subsidiaries;

“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MS”	Merchant Support Co., Ltd, a limited liability company incorporated in Japan and a then wholly owned subsidiary of the Company, disposal of which completed in June 2017;
“PAX Computer Shenzhen”	百富計算機技術 (深圳) 有限公司 (Pax Computer Technology (Shenzhen) Co., Ltd.), a limited liability company incorporated in the PRC and is a wholly owned subsidiary of PAX Global;
“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 HK”	PAX Technology Limited, a limited liability company incorporated in Hong Kong and is a wholly owned subsidiary of PAX Global;
“Previous Period”	the 12-month period preceding 31 March 2017;
“PRC”	People’s Republic of China;
“Relevant Period”	the 12-month period preceding 31 July 2018;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“VBill”	隨行付支付有限公司, a limited liability company incorporated in the PRC and is accounted for as a 80.04% owned subsidiary of the Company;
“Transactions”	the purchase of E-payment Terminal products by the Group from PAX Global Group during the Relevant Period;
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 1 August 2018

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