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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)

RESTATED SUBSCRIPTION AGREEMENT IN RELATION TO SUBSCRIPTION OF NEW SHARES OF VBILL (CAYMAN) BY THE INVESTOR AND GRANT OF PUT OPTION BY VBILL (CAYMAN) TO THE INVESTOR

RESTATEMENT AGREEMENT

Reference is made to (i) the SA Announcement of the Company dated 12 February 2019 in relation to the subscription of new VBill Shares by the Investor and the grant of the Put Option by VBill (Cayman) to the Investor and (ii) the VIE Restructuring Announcement dated 21 May 2019 in relation to the VIE Restructuring.

The Board announces that on 21 May 2019:

- (1) the Company, the Investor, the Management Shareholders, VBill OPCO and VBill (Cayman) entered into the Restatement Agreement to amend and restate the Subscription Agreement and the agreed form of the New JIM Control Documents respectively, each with effect from the same date;
- (2) the Company, the Management Shareholders, the Management Shareholders Holdcos, the Investor, VBill (Cayman), WFOE, Chongqing JIM and VBill OPCO entered into the Amended Shareholders' Agreement;
- (3) the Investor, VBill (Cayman) and the WFOE entered into the Amended Agreement of Pledge; and
- (4) the relevant parties implemented the VIE Restructuring, details of which are disclosed in the VIE Restructuring Announcement.

* For identification purpose only

The Restated Subscription Agreement replaces and supersedes the original Subscription Agreement. Material changes made to the Subscription Agreement, together with the corresponding amendments made to the Shareholders' Agreement, the New JIM Control Documents and other Transaction Documents are set out more particularly in this announcement.

Completion of the Restated Subscription Agreement, the Deemed Disposal, the grant of Put Option and other transactions contemplated under the Restated Subscription Agreement and the ancillary agreements thereto may or may not proceed as they are subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.

GENERAL

The SGM will be convened for the purposes of, among other matters, considering, and if thought fit, approving the transactions contemplated in the Transaction Documents (including the grant of the Put Option). Since details of the contractual arrangements and advice from the Independent Financial Adviser in relation to the duration and annual cap of the New Control Documents have been set out in the VIE Restructuring Announcement, the circular to be despatched to the Shareholders on or before 30 June 2019 will contain, among other things, (i) details of the Subscription Agreement and the Put Option; (ii) other information of VBill (Cayman) Group and the Group and (iii) the notice convening the SGM.

Reference is made to (i) the announcement of the Company dated 12 February 2019 (“**SA Announcement**”) in relation to the subscription of new VBill Shares by the Investor and the grant of the Put Option by VBill (Cayman) to the Investor and (ii) the announcement of the Company dated 21 May 2019 (“**VIE Restructuring Announcement**”) in relation to the VIE Restructuring. Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the SA Announcement and the VIE Restructuring Announcement.

The Board announces that on 21 May 2019:

- (1) the Company, the Investor, the Management Shareholders, VBill OPCO and VBill (Cayman) entered into an amendment and restatement agreement (“**Restatement Agreement**”) to amend and restate the Subscription Agreement and the agreed form of the New JIM Control Documents, each with effect from the same date. The Subscription Agreement so amended and restated is referred to as the “**Restated Subscription Agreement**” in this announcement;
- (2) the Company, the Management Shareholders, the Management Shareholders Holdcos, the Investor, VBill (Cayman), WFOE, Chongqing JIM and VBill OPCO entered into the shareholders' agreement (“**Amended Shareholders' Agreement**”). The Amended Shareholders' Agreement is based on the agreed form of Shareholders' Agreement as disclosed in the SA Announcement with changes disclosed below;

- (3) the Investor, VBill (Cayman) and the WFOE entered into the agreement of pledge (“**Amended Agreement of Pledge**”). The Amended Agreement of Pledge is based on the agreed form of Agreement of Pledge as disclosed in the SA Announcement with changes disclosed below; and
- (4) the relevant parties implemented the VIE Restructuring, details of which are disclosed in the VIE Restructuring Announcement dated 21 May 2019.

The Restated Subscription Agreement replaces and supersedes the original Subscription Agreement. Material changes made to the Subscription Agreement, together with the corresponding amendments made to the Shareholders’ Agreement, the New JIM Control Documents and other Transaction Documents are set out below.

THE RESTATED SUBSCRIPTION AGREEMENT

The final subscription price payable by the Investor and the shareholding percentage of VBill (Cayman) to be held by the VBill (Cayman) Shareholders are now fixed, and the subscription by the Investor will be completed in one tranche (instead of two tranches)

- (1) Under the original Subscription Agreement, the parties agreed that the subscription price and number of subscription shares are subject to adjustment at the Second Capital Increase Completion calculated with reference to the Actual Net Profit Figure as shown in the audited consolidated financial statements of VBill OPCO for the year ended 31 December 2018.

As of the date of the Restated Subscription Agreement, the said audited consolidated financial statements of VBill OPCO had been issued. The Actual Net Profit Figure, being approximately RMB426.8 million, is greater than the Target Net Profit Figure of RMB420,000,000. Therefore, the total subscription price payable by the Investor and the number of subscription shares are fixed in the Restated Subscription Agreement at RMB588,000,000 (“**Subscription Price**”) and approximately 11.21% of the issued VBill Shares upon completion of the Subscription. Accordingly, the Company will be deemed to have disposed of approximately 8.97% of VBill (Cayman) from 80.04% to approximately 71.07% upon completion of the Subscription (“**Deemed Disposal**”).

- (2) Since the final subscription price payable by the Investor and the shareholding percentage of VBill (Cayman) to be held by each of the Investor, the Management Shareholders Holdcos and the Company are fixed, the subscription by the Investor for VBill Shares (“**Subscription**”) will only be completed in one tranche (“**Completion**”), and there will be no Second Capital Subscription.
- (3) Save for the revised steps of the Restructuring as elaborated below, there is no change to the conditions precedent to Completion under the Restated Subscription Agreement. References to “First Capital Subscription”, “First Capital Increase Completion”, “First Capital Increase Completion Date” (as defined under the Subscription Agreement and disclosed in the SA Announcement) shall be references to the “Subscription”, “Completion”, and “Completion Date”, respectively, in the Restated Subscription Agreement. References to “the sum of the First Capital Increase Subscription Price and the Second Capital Increase Subscription Price” shall mean the “Subscription Price” in the amount of RMB588,000,000.

- (4) Since there is no “Second Capital Increase Completion Date” under the Restated Subscription Agreement, the limitation period for a tax claim and an Indemnity Claim are revised as follows:
- a. a claim by the Investor relating to tax under the Restated Subscription Agreement shall survive to the earlier of: (i) a period of 7 years from the Completion Date; and (ii) the completion of the Qualified IPO; and
 - b. an Indemnity Claim by the Investor under the Restated Subscription Agreement shall survive to the earlier of: (i) the date falling 5 years from the Completion Date; and (ii) the completion of the Qualified IPO.

The Longstop Date is extended to 30 September 2019

Due to the lapse of time since the signing of the Subscription Agreement, the Longstop Date is extended to 30 September 2019 (or such other date as may be agreed among the parties) under the Restated Subscription Agreement.

The steps of the Restructuring and group structure of VBill (Cayman) Group will be revised, and the VBill Control Documents will not be executed

Under the Subscription Agreement, as a condition to First Capital Increase Completion, the Group would implement the Restructuring, which involves, among other things, the entry into of the New JIM Control Documents and VBill Control Documents upon the First Capital Increase Completion to replace the Existing JIM Control Documents, and the transfer of 100% equity interest in Hunan Yunrong by Chongqing JIM to a party designated by the Company.

Under the Restated Subscription Agreement, the parties have agreed to implement the Chongqing JIM VIE Restructuring, which involves (i) the signing of an agreement among the Management Shareholders, Chongqing JIM, VBill OPCO, Zhou and Na for the swap of equity interest in Chongqing JIM and VBill OPCO (“**Share Swap Agreement**”), (ii) the signing of the New JIM Control Documents, (iii) the signing of an agreement among the parties to the Existing JIM Control Documents (“**Existing JIM VIE Termination Agreement**”) to terminate the Existing JIM Control Documents, and (iv) the transfer of VBill Shares from the Management Shareholders Holdcos to the Company.

The parties to above transactions have entered into the relevant agreements and/or instruments on the date of this announcement. Please refer to the VIE Restructuring Announcement for details of the Chongqing JIM VIE Restructuring and the restructuring involving Hunan Yunrong.

As a result of the implementation of the Chongqing JIM VIE Restructuring, Zhou, Na and the Management Shareholders will become the new registered shareholders of Chongqing JIM. Accordingly, the New JIM Control Documents are executed by and among Zhou, Na and the Management Shareholders with WFOE and Chongqing JIM on 21 May 2019. Since VBill (Cayman) can exert 100% management control and enjoy all economic benefits generated by Chongqing JIM (including the VBill Group) under the contractual arrangement of the New JIM Control Documents (as revised), the parties have removed the requirement of executing the VBill Control Documents in the Restated Subscription Agreement.

Subsequent arrangements relating to Chongqing JIM are revised

As of the Completion Date, Chongqing JIM will have certain existing or new business and operations not related to VBill Group which will be transferred from Chongqing JIM to the Group within 2 years from the Completion Date. Under the Restated Subscription Agreement, the parties have agreed that:

- (1) save and except for all profits or losses generated by VBill OPCO and its subsidiaries (including any dividend declared or to be declared, paid or to be paid by VBill OPCO and its subsidiaries to Chongqing JIM), all the profits and losses of Chongqing JIM on company level arising from transactions or events occurred or contracted since and including the date of incorporation of Chongqing JIM until and including the Chongqing JIM Restructuring Completion Date (as defined below) shall be allocated to and enjoyed by the Company; and
- (2) save and except for any shares or equity in VBill OPCO held by Chongqing JIM from time to time, all assets, obligation or liability of Chongqing JIM on company level arising from transactions or events occurred or contracted since and including the date of incorporation of Chongqing JIM until and including the Chongqing JIM Restructuring Completion Date shall be borne and incurred by the Company,

provided that the parties agree and acknowledge, and undertake to do all things and take all actions to ensure that any profit, loss, obligation and/or liability relating to any new contract, business or operations of Chongqing JIM or any subsidiary of Chongqing JIM from or after the date of the Restated Subscription Agreement which is expressly approved and authorised by each of the Investor, the Management Shareholders and the Company shall be allocated to, enjoyed by and/or borne by (as applicable) the VBill (Cayman) Group.

The Company has undertaken to procure the completion of the following steps within 2 years from the Completion Date, at the cost of the Company and without any residual liability on VBill (Cayman) Group:

- (1) all contracts and business dealings between Chongqing JIM and China Mobile group shall be terminated or otherwise assigned or transferred to the Group;
- (2) all employment contracts between Chongqing JIM and its employees shall be terminated or otherwise assigned or transferred to the Group;
- (3) all indebtedness, loans or borrowings advanced to Chongqing JIM from the Group will be settled, eliminated, cancelled or waived by the Group; and
- (4) all the other existing assets, liabilities, obligations, debt, business and operations of Chongqing JIM (for the avoidance of doubt, excluding any shares or equity in VBill held by Chongqing JIM from time to time) which have not been expressly approved or authorised by the Investor or the Management Shareholders will be assigned or transferred to the Group.

(together, the “**Chongqing JIM Restructuring**”).

AMENDMENTS TO OTHER TRANSACTION DOCUMENTS

Amended Shareholders Agreement

Under the Subscription Agreement, the Shareholders' Agreement would be executed on the First Capital Increase Completion Date. In order to facilitate the registration of the Amended Agreement of Pledge with the competent PRC authority which is one of the condition precedent to the completion of the Subscription, on 21 May 2019, original parties to the Shareholders' Agreement, and Chongqing JIM (who is joined as a new party to the Amended Shareholders' Agreement) executed the Amended Shareholders' Agreement with the following material amendments to the original agreed form of the Shareholders' Agreement:

- (a) Save as elaborated in paragraph (c) below, references to "First Capital Subscription", "First Capital Increase Completion", "First Capital Increase Completion Date" shall become references to the "Subscription", "Completion", and "Completion Date", respectively, in the Amended Shareholders' Agreement. References to "First Capital Increase Subscription Price" or "the sum of the First Capital Increase Subscription Price and the Second Capital Increase Subscription Price" shall mean the "Subscription Price" in the amount of RMB588,000,000.
- (b) Save for certain general provisions which take effect on the date of the Amended Shareholders' Agreement, the remaining clauses (including without limitation clauses relating to non-compete undertakings of the Management Shareholders, exit rights of the Investor, the Put Option, restrictions on transfer of VBill Shares, Existing ESOP, anti-dilution, the Guarantee, limitation of liability) of the Amended Shareholders' Agreement shall only take effect on the Completion Date and subject to completion of the Subscription having taken place.
- (c) Under the Amended Shareholders' Agreement, the timeframe for an Exit is 3 or 5 years (as the case maybe) after the Completion Date (instead of the Second Capital Increase Completion Date).
- (d) Under the terms of the Put Option under the Amended Shareholders' Agreement, the reference to "First Capital Increase Completion Date" shall become a reference to the "Completion Date". The Put Option shall become exercisable by the Investor within the 2 year period after a date falling 3 years after the Completion Date, or if the Payment Business License or all ICP Licenses necessary for the VBill (Cayman) Group to operate its business is revoked within the 5 year period from the Completion Date, or if any VBill (Cayman) Shareholder other than the Investor commits a breach within the 5 year period from the Completion Date.
- (e) Under the Amended Shareholders' Agreement, the Put Price will be determined by:
 $A \times (B/C) - D$, where the meaning of A and C are amended as follows:
 - (i) A shall be an amount in US\$ which will make up an IRR (in US\$ terms) of 8.0% on the US\$ equivalent of the Subscription Price (calculated from the Completion Date and converted from RMB into US\$ on the Agreed Exchange Rate as of such date), until the Put Option Completion Date;

- (ii) C shall be the aggregate number of VBill Shares held by the Investor as of the Completion Date, taking into account the effect of any share split, share consolidation, share dividend or analogous restructuring of the issued share capital of VBill (Cayman) from time to time; and
- (iii) the meaning of B and D shall remain unchanged.

There is no change to the Maximum Put Price calculated under the above formula, which is approximately RMB740.7 million.

The Amended Agreement of Pledge

As disclosed in the SA Announcement, to ensure VBill (Cayman)'s performance of its obligations under the Put Option, the Agreement of Pledge will be entered at First Capital Increase Completion. However, since the VBill Control Documents (being the original pledge documents under the original Agreement of Pledge) will not be executed under the revised steps of the Restructuring and in order to facilitate the registration of the Amended Agreement of Pledge with the competent PRC authority which is one of the conditions precedent to the completion of the Subscription, the Investor, VBill (Cayman) and WFOE executed the Amended Agreement of Pledge on 21 May 2019. The Amended Agreement of Pledge is based on the agreed form of Agreement of Pledge as disclosed in the SA Announcement with the following material changes:

- (i) the initial pledge documents are changed to JIM Exclusive Option Agreement and JIM Master Exclusive Service Agreement (instead of the VBill Exclusive Option Agreement and the VBill Master Exclusive Service Agreement); and
- (ii) the effective date of the Amended Agreement of Pledge is changed to Completion Date (instead of signing date).

New JIM Control Documents

As disclosed above and in the VIE Restructuring Announcement, upon completion of the Share Swap Agreement, the new registered shareholders of Chongqing JIM are Zhou, Na and the Management Shareholders. In accordance with the revised steps of Restructuring, on 21 May 2019, the New JIM Control Documents are executed by and among Zhou, Na and the Management Shareholders with WFOE and Chongqing JIM. Please refer to the terms and conditions of the New JIM Control Documents as disclosed in the VIE Restructuring Announcement.

Save for the amendments disclosed above, there is no material change in the terms of the Subscription Agreement and other Transaction Documents, as disclosed in the SA Announcement, and are restated and shall continue in full force and effect.

SIDE LETTER

In view of the changes made to the Subscription Agreement (including the completion of the Subscription in one tranche only), the parties to the Side Letter also signed an amended side letter on 21 May 2019 in which references to "First Capital Increase Completion Date" in the Side Letter shall become references to "Completion Date".

None of the members of VBill (Cayman) Group nor the Group is a party to the Side Letter.

REASONS FOR ENTERING INTO THE RESTATED SUBSCRIPTION AGREEMENT AND THE AMENDMENT OF OTHER TRANSACTION DOCUMENTS

The amendments of the Subscription Agreement and other Transaction Documents are mainly due to the fixing of the Subscription Price and the revision of the steps of the Restructuring, which involves the simplification of the VIE structure of the VBill (Cayman) Group. The Company has not incurred any additional material obligation by entering into the Restated Subscription Agreement, the Amended Shareholders' Agreement and other Transaction Documents. The principal terms of the Subscription Agreement, including the calculation of the subscription price, the shareholding percentage to be held by the VBill (Cayman) Shareholders and conditions precedent to completion of the Subscription Agreement remain the same.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Restated Subscription Agreement and other Transaction Documents, which were arrived at after arm's length negotiation between the parties thereto, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. To the best of the Directors' information, belief and knowledge, none of the Directors have a material interest in relation to the Restated Subscription Agreement and the transactions contemplated thereunder.

Completion of the Restated Subscription Agreement, the Deemed Disposal, the grant of Put Option and other transactions contemplated under the Restated Subscription Agreement and the ancillary agreements thereto may or may not proceed as they are subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.

GENERAL

The SGM will be convened for the purposes of, among other matters, considering, and if thought fit, approving the transactions contemplated in the Transaction Documents (including the grant of the Put Option). Since details of the contractual arrangements and advice from the Independent Financial Adviser in relation to the duration and annual cap of the New Control Documents have been set out in the VIE Restructuring Announcement, the circular to be despatched to the Shareholders on or before 30 June 2019 will contain, among other things, (i) details of the Subscription Agreement and the Put Option; (ii) other information of VBill (Cayman) Group and the Group and (iii) the notice convening the SGM.

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

21 May 2019

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.