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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)

ANNOUNCEMENT

The board (the “**Board**”) of directors of Hi Sun Technology (China) Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), would like to inform the shareholders and potential investors of the Company that on 5 August 2019, a share subscription agreement (the “**Series E Subscription Agreement**”) was entered into by (i) Cloopen Group Holding Limited (“**Cloopen**”, an investment of the Company accounted for using the equity method), and certain subsidiaries of Cloopen, including Cloopen Limited and Anxun Guantong (Beijing) Technology Co., Ltd. (“**Anxun**”), Beijing Ronglian Yitong Information Technology Co., Ltd. (a company which Anxun exercises control and enjoys economic benefits through contractual arrangements, together the “**Cloopen Group**”); (ii) the founding shareholders and their respective investment holding companies, namely Cloopen Co., Ltd. and Slivo Co., Ltd.; and (iii) certain subscribers. Pursuant to the Series E Subscription Agreement, the subscribers have conditionally agreed to subscribe for 13,040,152 series E preferred shares of Cloopen at the consideration of US\$32 million.

The Group is not a subscriber of the series E preferred shares under the Series E Subscription Agreement. Upon completion of the Series E Subscription Agreement, Cloopen will have issued an aggregate of 13,040,152 series E preferred shares, representing approximately 5.80% of the enlarged issued share capital of Cloopen, to all the subscribers of the series E preferred shares (assuming 25,838,502 ordinary shares of Cloopen which have been reserved for issuance to officers, directors, employees or consultants of Cloopen pursuant to its employee share option plan (“**ESOP Shares**”) are allotted and issued).

* For identification purpose only

As at the date of this announcement and immediately before completion of the Series E Subscription Agreement, the Group is interested in approximately 26.27% equity interest in Cloopen (assuming all the ESOP Shares are allotted and issued). Completion of the Series E Subscription Agreement will take place no later than 10 business days after all conditions precedent specified thereunder are satisfied or waived. Upon completion of the Series E Subscription Agreement, the Group's equity interests in Cloopen will be approximately 24.75% (assuming all the ESOP Shares are allotted and issued).

Immediately after completion of the Series E Subscription Agreement, the Cloopen Group will remain to be an investment of the Company accounted for using the equity method. The Series E Subscription Agreement does not constitute a notifiable or connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 5 August 2019

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 Changjun; and three independent non-executive Directors, namely Tam Chun Fai, Chang Kai-Tzung, Richard and Leung Wai Man, Roger.