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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)

RECENT DEVELOPMENT OF CLOOPEN

This announcement is made by Hi Sun Technology (China) Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 20 January 2021 relating to the public filing of Registration Statement by Cloopen pursuant to the United States Securities Act of 1933, as amended, with the SEC in connection with its proposed listing and offering of its ADSs.

* For identification purpose only

THE OFFERING

The Board is pleased to announce that Cloopen submitted a Registration Statement in respect of the Offering with a price range with the SEC on 3 February 2021 (New York time). Cloopen has also applied for the listing of its ADSs on the NYSE. A copy of the Registration Statement is available on <https://www.sec.gov/Archives/edgar/data/0001804583/000104746921000268/a2242866zf-1a.htm>. Subject to the final terms of an underwriting agreement to be agreed upon by Cloopen and the underwriters and subject to market conditions, the Offering is expected to consist of:

- an initial public offering of 20,000,000 ADSs to be sold by Cloopen (representing 40,000,000 Class A ordinary shares of Cloopen); and
- an option, which may be exercised by the underwriters to purchase up to 3,000,000 additional ADSs (representing 6,000,000 Class A ordinary shares of Cloopen), such option to be granted by Cloopen to the underwriters (“**Over-allotment Option**”).

The ordinary shares of Cloopen outstanding immediately after the Offering will be 294,040,763 Class A ordinary shares and 25,649,839 Class B ordinary shares (or 300,040,763 Class A ordinary shares and 25,649,839 Class B ordinary shares if the underwriters exercise in full the Over-allotment Option).

Immediately upon completion of the Offering, the Group will hold 55,677,341 Class A ordinary shares and the shareholding of the Company in Cloopen will be diluted and reduced from the current approximately 19.91% to 17.42% or 17.10% (assuming full exercise of the Over-allotment Option by the underwriters) and the Group’s interest in Cloopen will be accounted for as financial assets at fair value through other comprehensive income.

The offer price per ADS is expected to be between US\$13.00 (equivalent to HK\$100.75) and US\$15.00 (equivalent to HK\$116.25).

Further announcement will be made after Cloopen and the underwriters have determined the final offer price and entered into an underwriting agreement in respect of the Offering.

GENERAL

The Board wishes to emphasize that the Offering may or may not proceed, as it is conditional upon the satisfaction of certain conditions including, without limitation, the conditions of the equity markets, the declaration of effectiveness of the Registration Statement by the SEC, NYSE granting approval for the listing of the ADSs, and other relevant United States regulatory procedures.

Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company. Further announcement(s) will be made as and when appropriate in respect of any material developments relating to the Offering.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“ADSS”	the American depositary shares, each of which represents two Class A ordinary shares of Cloopen
“Board”	the board of Directors of the Company
“Class A ordinary shares”	Class A ordinary shares of Cloopen, par value US\$0.0001 per share, upon the completion of the Offering
“Clopen”	Cloopen Group Holding Limited, an exempted limited liability company incorporated in the Cayman Islands, an investment of the Company accounted for using the equity method
“Clopen Group”	Cloopen and its subsidiaries
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 818)
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rule(s)”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“NYSE”	The New York Stock Exchange
“Offering”	the proposed initial public offer and sale of the ADSs and listing of the ADSs on NYSE
“PRC”	the People’s Republic of China
“Registration Statement”	the Registration Statement on Form F-1 filed by Cloopen with the SEC in connection with the Offering
“SEC”	The Securities and Exchange Commission of the United States of America
“Shareholder(s)”	holder(s) of the share(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

For illustrative purpose of this announcement, US\$1 = HK\$7.75.

By order of the Board
HI SUN TECHNOLOGY (CHINA) LIMITED
Hui Lok Yan
Company Secretary

Hong Kong, 4 February 2021

As at the date of this announcement, the board of directors of the Company 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; and three independent non-executive directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Chang Kai-Tzung, Richard.