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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)

UPDATES ON FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2020

Based on the currently available information, the Board wishes to update the shareholders and prospective investors of the Company that the Group is expected to record an operating profit for YEAR 2020 in the approximate range of HK\$610 million to HK\$680 million, as compared to the operating profit of approximately HK\$578.2 million for YEAR 2019.

The information contained in this announcement is only based on the unaudited management accounts of the Group for YEAR 2020 which has not been audited or reviewed by the auditors of the Company and other information currently available to the Group. The Board expects that the announcement of the consolidated results of the Group for YEAR 2020 will be published in March 2021.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Reference is made to the announcement of the Company dated 30 November 2020 in relation to the profit warning for YEAR 2020 (the “**November Announcement**”).

* For identification purpose only

As disclosed in the November Announcement, the Group's operating profit for the ten months ended 31 October 2020 had significantly decreased as compared with that for the ten months ended 31 October 2019 primarily attributable to a material decline in segmental turnover of the Group's payment processing solutions. The board of directors (the "**Board**") of the Company wishes to update the shareholders and prospective investors of the Company that while the Company is still finalizing its consolidated results of the Group for the year ended 31 December 2020 ("**YEAR 2020**"), following preliminary review of the information which includes, but without limitation to, the unaudited management accounts of the Group for YEAR 2020, which have not been audited or reviewed by the auditors of the Company and other information currently available to the Group, the Group is expected to record an operating profit for YEAR 2020 in the approximate range of HK\$610 million to HK\$680 million, as compared to the operating profit of approximately HK\$578.2 million for the year ended 31 December 2019 ("**YEAR 2019**") primarily due to a significant increase in fair value gains on financial assets at fair value through profit or loss for the Convertible Series C Preference Shares and Convertible Series D Preference Shares of Cloopen Group Holding Limited held by the Group for YEAR 2020; which is partially offset by (a) the effects of the COVID-19 outbreak and epidemic prevention and control measures attributable to a material decline in segmental turnover of the Group's payment processing solutions segment for YEAR 2020, as transaction volumes being processed through this segment dropped significantly as a result of a decline in consumer consumption of goods and services; (b) the share option expenses under the payment processing solutions segment attributable to the extension of the exercise period of share options granted by a subsidiary of the Company in February 2018 (Please refer to the circular of the Company dated 28 October 2020 and the announcement of the Company dated 16 October 2020 for further details); and (c) a credit impairment loss attributable to impairment loss on aged loan receivable balances under the micro-lending business of the payment processing solutions segment for YEAR 2020.

The information contained in this announcement is based on the preliminary assessment by the Board of the information currently available to the Board and is not based on the financial information audited or reviewed by the auditors of the Company. The Company is still in the process of finalizing the consolidated results of the Group for YEAR 2020. The amount of the fair value of the Group's financial assets at fair value through profit or loss, the share option expenses and the credit impairment loss are not yet finalised and may be subject to material changes or adjustments. There may be changes or adjustments following further review of the unaudited management accounts for YEAR 2020 by the Board. The Board expects that the announcement of the consolidated results of the Group for YEAR 2020 will be published in March 2021.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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 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.