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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)**

## **INSIDE INFORMATION AND RESUMPTION OF TRADING**

Hi Sun Technology (China) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to (i) a significant drop in the price of the shares of its approximately 33.1% owned associate, PAX Global Technology Limited (stock code: 327, “**PAX**”) and an unexpected drop in the price of the shares of the Company (“**Shares**”) since the opening of the morning trading session on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 27 October 2021; and (ii) the trading halt of the shares of PAX on the same day. It also came to the attention of the board of directors of the Company (the “**Board**”) an article published on the “KrebsOnSecurity.com” blog (which appears to be based in the United States (the “U.S.”)) dated 26 October 2021 entitled “FBI Raids Chinese Point-of-Sale Giant Pax Technology”, an article dated 28 October 2021 entitled “FIS’s Worldpay Replaces PAX Terminals Over Security Concerns” published on Bloomberg and certain other media reports in connection with those articles (collectively the “**Articles**”). The Company applied for a trading halt which took effect from 1:00 p.m. on 27 October 2021 pending the issue of this announcement.

Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Company confirms that it is not aware of any reasons (apart from, possibly, the matters disclosed in this announcement) for the drop in share price or of any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of Securities and Futures Ordinance.

\* For identification purpose only

The Group's share of results of PAX, which are accounted for in the financial statements of the Group using the equity method, contributed to approximately 38.7% of the Group's audited profit for the year ended 31 December 2020 and approximately 5.0% of the Group's unaudited profit for the six months ended 30 June 2021. Based on the facts and circumstances currently known, the Company does not envisage any material financial impact on the Group. Following the Company's enquiries made to PAX, the Company is given to understand that:–

- (a) officers from the Federal Bureau of Investigation and the Customs and Border Protection in the U.S. executed a court-authorized search to seize certain items from the Florida office and warehouse of Pax Technology Inc. ("Pax US"), a wholly-owned subsidiary of PAX, and carried out interviews with certain employees of Pax US on 26 October 2021 (Eastern Standard Time in the U.S.);
- (b) Pax US has since then resumed normal operations; and
- (c) although it is difficult to predict the extent to which the business of PAX may be affected given the uncertainties as to the development of the incident, PAX has reported that it has not observed any material adverse changes to its operations and/or business.

In addition, PAX has published an announcement dated 29 October 2021 addressing, amongst other things, certain matters raised in the Articles.

## **RESUMPTION OF TRADING**

At the request of the Company, trading of shares of the Company was halted with effect from 1:00 p.m. on 27 October 2021. Application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares of the Company with effect from 9:00 a.m. on 1 November 2021.

**Shareholders and potential investors of the Company are advised to pay attention to investment risks and exercise caution when they deal or contemplate dealing in the securities of the Company. The Company will make further announcement(s) in relation to the matters disclosed in this announcement as and when appropriate.**

By Order of the Board  
**Hi Sun Technology (China) Limited**  
Hui Lok Yan  
*Company Secretary*

Hong Kong, 29 October 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 Changjun; and four independent non-executive directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger, Mr. Chang Kai-Tzung, Richard and Mr. Li Heguo.*