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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)

FINANCIAL UPDATES FOR THE YEAR ENDED 31 DECEMBER 2021

The board of directors (the “**Board**”) of Hi Sun Technology (China) Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and prospective investors of the Company that following preliminary review of the information which includes, but without limitation to, the unaudited management accounts of the Group for the year ended 31 December 2021 (“**FY2021**”), which have not been audited or reviewed by the auditors of the Company and other information currently available to the Board, the Board expects to report a more normalized level of turnover for FY2021 as compared to the year ended 31 December 2020, the performance of which had been adversely affected by the effects of the COVID-19 outbreak and epidemic prevention and control measures.

For the reasons and explanation disclosed in the interim report of the Company for the six months ended 30 June 2021, the Group recorded a non-cash aggregate gain of approximately HK\$3,055.7 million that arose in connection with the listing of the Group’s then associated company Cloopen Group Holding Limited (“**Cloopen**”) of its American depositary shares (“**ADS**”) on the New York Stock Exchange on 9 February 2021 through an initial public offering priced at US\$16.00 (equivalent to approximately HK\$124.8) per ADS (each of which represents two underlying Class A ordinary shares of Cloopen) (“**Cloopen Listing**”) (calculated by reference to the offering price of the ADS attributable to the Group’s interest in the ordinary shares or convertible preference shares of Cloopen upon Cloopen Listing less the carrying value of such interest as at 31 December 2020). Accordingly, the Group is expected to record an increase in net profit for FY2021 as compared to the year ended 31 December 2020.

* For identification purpose only

For the shareholders' information, based on the market price of the ADS (of US\$2.9 as at 31 December 2021 (New York time), equivalent to approximately HK\$22.62) and the market value of the shares of the Cloopen held by the Group (of US\$80.7 million, equivalent to approximately HK\$629.7 million) as at 31 December 2021, the Group expects to recognise an "other comprehensive loss" of approximately HK\$2,844.6 million in FY2021 due to the change in fair value of its interest in Cloopen after the Cloopen Listing (calculated by reference to the offering price of the ADS attributable to the Group's interest in Cloopen upon Cloopen Listing less the fair value of such interest as at 31 December 2021).

The information contained in this announcement is based on the preliminary assessment by the Board of the unaudited management accounts of the Group for FY2021 which has not been audited or reviewed by the auditors of the Company and other information currently available to the Board. There may be changes or adjustments following further review of the unaudited management accounts for FY2021 by the Board.

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, 28 February 2022

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.

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