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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)

UPDATE ON INVESTMENT IN CLOOPEN

Hi Sun Technology (China) Limited (the “**Company**”, together with its subsidiaries the “**Group**”) notes that Cloopen Group Holding Limited (“**Cloopen**”) (in which the Company holds 55,677,341 Class A ordinary shares, representing 17.42% of Cloopen’s shares in issue as at the date of this announcement (“**Cloopen Shareholding**”)) announced on 3 May 2022 (New York time) that Cloopen has formed an independent special committee to oversee an internal investigation of issues that were raised to the attention of its board of directors by KPMG Huazhen LLP (“**KPMG**”). During its audit of Cloopen’s consolidated financial statements for the fiscal year ended 31 December, 2021, KPMG raised to Cloopen’s management certain misconduct of several of Cloopen’s employees, including fabricating certain documents. In addition, KPMG advised Cloopen that they identified irregularities relating to certain customers’ transactions for previous years. On 29 April 2022 (New York time), KPMG notified Cloopen of its resignation as Cloopen’s independent registered public accounting firm.

* *For identification purpose only*

As disclosed in the annual report of the Company for the year ended 31 December 2021, the Group's entire interest in the Cloopen Shareholding is classified as a financial asset at fair value through other comprehensive income (FVOCI), with subsequent fair value movement recognised in other comprehensive income. The value of the Cloopen Shareholding in the consolidated financial statements of the Group is measured, since the listing of the American depository shares of Cloopen on the New York Stock Exchange on 9 February 2021 (New York time), against its market value as at the date to which the financial statements are made up. Based on the closing price per Cloopen share at US\$2.900 (approximately HK\$22.62) on 31 December 2021 (New York time), the value of the Cloopen Shareholding as at that date was approximately US\$80.7 million (approximately HK\$629.7 million), representing approximately 5.8% of the Group's total assets as at that date. The closing price per Cloopen share on 3 May 2022 (New York time) was US\$0.685 (approximately HK\$5.34).

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

Hong Kong 4 May, 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 three independent non-executive directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Li Heguo.