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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)

VOLUNTARY ANNOUNCEMENT ISSUANCE OF ASSET-BACKED SECURITIES (PHASE 3)

The Board would like to make this announcement on a voluntary basis in order to keep the Shareholders informed of the recent development of the Group.

THE ABS SCHEME

Reference is made to the announcements of the Company dated 27 January 2022 and 20 May 2022 in relation to the VBill Supply Chain Finance (Phases 1-15) Asset-backed Securities Scheme* (隨行付供應鏈金融1-15期資產支持專項計劃)(the “**ABS Scheme**”) and the issuance of asset-backed securities, which are backed by loan receivables in the form of trust interests, in the PRC pursuant to the ABS Scheme. Pursuant to the no-objection letter from the Shanghai Stock Exchange, the maximum issue size of the ABS Scheme is RMB1,000,000,000 which can be issued in not more than 15 phases by 31 December 2023.

The Board is pleased to announce that on 30 December 2022, the ABS Scheme – Phase 3 with a total issue size of RMB303,000,000 (equivalent to approximately HK\$339,360,000) was established.

The ABS are classified into priority and subordinated tranches according to their risks, earnings and duration. The holders of the priority tranche of the ABS shall have priority in receiving coupon interest and repayment of the principal amount of the ABS over the holders of the subordinated tranche of the ABS. A summary of the material terms of the ABS under the ABS Scheme – Phase 3 is set out below:

Tranche	Size of issuance	Credit rating by an independent credit rating agency	Expected maturity date	Expected coupon rate
Priority	RMB265,000,000	AAA	30 November 2023	5% per annum
Subordinated	RMB38,000,000	Not rated	30 November 2023	Not specified

* For identification purpose only

While the priority tranche of the ABS were issued to qualified institutional investors in the PRC, the subordinated tranche of the ABS were issued to Suixin Cloud Chain or its designated affiliates.

In the event any of the underlying assets of the ABS Scheme becomes ineligible or non-performing for inclusion, or potentially becomes the subject of a legal action, during the term of the ABS Scheme, VBill Factoring shall redeem or repurchase (where applicable) such underlying assets.

REASONS FOR AND BENEFITS OF THE ABS ISSUANCE

The principal activities of the Group are provision of payment processing solutions, provision of fintech solutions and services, provision of platform operation solutions and provision of financial solutions.

The proceeds from the issuance of the ABS will be principally used as general working capital of the fintech solutions and services business segment of the Group. The Board believes that the issuance of the ABS under the ABS Scheme will widen the fund-raising channels of the Group to access low-cost capital, which in turn will be used to improve the financing structure of the Company and promote its operating activities and investments.

The Directors are of the view that the terms of the issuance of the ABS are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Board is of the view that the issuance of the ABS will not cause any material adverse financial impact on the Group, in particular, that it will not cause any material adverse impact on the interests of the Shareholders. As such, the Board is of the view that the transaction contemplated under the issuance of the ABS is not of a price-sensitive nature and this announcement is made for the general information of the Shareholders.

The credit ratings in relation to the priority tranche of the ABS mentioned herein are strictly for information purposes only. Such ratings do not constitute a recommendation to buy, sell or hold any securities of the Company.

Shareholders and potential investors of the Company are advised not to rely solely on the information contained herein and should exercise caution when dealing in the securities of the Company. When in doubt, Shareholders and potential investors of the Company are advised to seek professional advice from their own professional or financial advisers.

DEFINITIONS

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

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|------------------------|---|
| “ABS” | means the asset-backed securities issued under the ABS Scheme |
| “ABS Scheme – Phase 3” | means the third phase of the ABS Scheme |

“Board”	means the board of Directors
“Company”	means 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)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries as at the date of this announcement
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“PRC”	means the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	means Renminbi, the lawful currency of the PRC
“Shareholders”	means the holders of shares of the Company
“Suixin Cloud Chain”	means 北京隨信雲鏈科技有限公司 (unofficial English translation being Beijing Suixin Cloud Chain Technology Co. Ltd.), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of VBill OPCO
“VBill OPCO”	means 隨行付支付有限公司 (unofficial English translation being VBill Payment Co. Ltd.), a company incorporated in the PRC with limited liability and accounted for as a 68.83% owned subsidiary of the Company
“VBill Factoring”	means 北京隨行付商業保理有限公司 (unofficial English translation for identification purpose only, being Beijing VBill Commercial Factoring Co. Ltd.), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of VBill OPCO
“%”	means per cent.

For the purpose of this announcement, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1.00 to HK\$1.12. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

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

Hong Kong, 30 December 2022

As at the date of this announcement, the Board consists of four executive Directors, namely Mr. Xu Wensheng, Mr. Kui Man Chun, Mr. Li Wenjin and Mr. Xu Changjun; three independent non-executive Directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Li Heguo.