
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hi Sun Technology (China) Limited** (the “Company”), you should at once hand this circular and the Annual Report 2020 of the Company with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, ADOPTION OF SHARE OPTION SCHEME 2021 RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of the Company to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 May 2021 at 3:00 p.m. is set out on pages 27 to 32 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 1 of this document for measures which will be taken to try to prevent and control the spread of the COVID-19 at the Annual General Meeting, including:

- compulsory temperature checks and health declarations
- wearing of surgical face masks
- no distribution of corporate gift or refreshment

Any person who does not comply with the precautionary measures may be denied entry into the Annual General Meeting venue. The Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

Hong Kong, 13 April 2021

* For identification purpose only

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In the interest of all attendees' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, the Company strongly recommends Shareholders to use proxy forms with voting instructions inserted, to exercise their voting rights by appointing the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

For Shareholders, authorised corporate representatives, proxies or other attendees choosing to attend the Annual General Meeting in person, please note that the Company has been informed by the management company of Sun Hung Kai Centre (the "Building") that there will be compulsory body temperature screening at the lobby of the Building in respect of all persons visiting the Building and any person with fever may not be given access to the Building, in which case you will not be allowed to attend the Annual General Meeting. The Company is supportive of these efforts given the development of COVID-19 and, in addition, will implement the following precautionary measures at the Annual General Meeting to protect attending Shareholders, staff and other attendees from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, authorised corporate representative, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of 37.4 degrees Celsius or above may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (ii) All Shareholders, authorised corporate representatives, proxies and other attendees are required to complete and submit at the entrance of the Annual General Meeting venue a declaration form confirming their names and contact details, and confirming that they are not subject to, or to their best of knowledge have not had contact with any person who is subject to, quarantine arrangements whether in a quarantine centre or not HKSAR Government prescribed and had no physical contact with a suspected COVID-19 patient in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (iii) All attendees displaying common cold or flu symptoms may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (iv) All attendees are required to wear surgical face masks at the Annual General Meeting venue at all times, maintain a safe distance between seats and observe good personal hygiene. Otherwise, such attendees may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (v) No refreshments or drinks will be served, and there will be no corporate gifts.

If Shareholders choosing not to attend the Annual General Meeting in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact our investor relations department as follows:

Investor Relations
Email: ir@hisun.com.hk
Tel: 852 2588 8841
Fax: 852 2802 3300

If Shareholders have any questions relating to the Annual General Meeting, please contact Tricor Tengis Limited, the Company's Hong Kong Share Registrar as follows:

Tricor Tengis Limited
Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

The proxy form is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Company's website at www.hisun.com.hk/en/ir/circulars.php. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy. Completion and return of a form of proxy for the Annual General Meeting will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish and are able to satisfy the precautionary measures mentioned above. In the event that you attend and vote at the Annual General Meeting or any adjournment thereof after having lodged a form of proxy, your returned form of proxy will be deemed to have been revoked by operation of law.

DEFINITIONS

In this circular other than the Annual General Meeting Notice, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Adoption Date”	the date on which the Share Option Scheme 2021 be adopted by Ordinary Resolution No. 10 at the Annual General Meeting
“Annual General Meeting”	the annual general meeting of the Company to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 May 2021 at 3:00 p.m., or any adjournment thereof
“Annual General Meeting Notice”	the notice dated 13 April 2021 convening the Annual General Meeting as set out on pages 27 to 32 of this circular
“Annual Report 2020”	the annual report of the Company for the year ended 31 December 2020
“Auditors”	means the auditors of the Company
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Employee”	any full-time employee of the Group or associated companies (including executive and non-executive directors of the Group or associated companies)

DEFINITIONS

“Grantee”	any Employee who accepts an offer of the grant of an Option in accordance with the terms of the Share Option Scheme 2021 or (where the context so permits) a legal personal representative entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	7 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Date”	means the date on which the Board resolves to make an offer to grant an Option to an Employee
“Option(s)”	means option(s) to subscribe for Shares which may be granted pursuant to the Share Option Scheme 2021
“Option Period”	means, in respect of any particular Option, a period to be notified by the Board to each Grantee during which an Option may be exercised, and in any event such period of time shall not exceed a period of 10 years commencing on Offer Date and expire on the last day of such period (subject to the provision for early termination contained in the Share Option Scheme 2021)
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the Annual General Meeting Notice
“PRC”	the People’s Republic of China, and for the purpose of this circular excluding Hong Kong, Taiwan and the Macau Special Administrative Region
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to allot, issue and deal with additional Shares of up to 20% of the issued shares of the Company as at the date of the passing of the relevant resolution approving the general mandate
“Share Option Scheme 2011”	the share option scheme adopted by the Company on 29 April 2011
“Share Option Scheme 2021”	the share option scheme proposed to be adopted by the Company at the Annual General Meeting
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to repurchase issued and fully paid Shares not exceeding 10% of the issued shares of the Company as at the date of passing of the relevant resolution approving the general mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong as amended from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

Executive Directors:

Mr. CHEUNG Yuk Fung (*Chairman*)
Mr. KUI Man Chun (*Chief Executive Officer*)
Mr. XU Wensheng
Mr. LI Wenjin
Mr. XU Changjun

Independent Non-Executive Directors:

Mr. TAM Chun Fai
Mr. LEUNG Wai Man, Roger
Mr. CHANG Kai-Tzung, Richard

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal Place
of Business:*

Room 2515, 25th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

13 April 2021

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
ADOPTION OF SHARE OPTION SCHEME 2021
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the Annual General Meeting, ordinary resolutions will be proposed, inter alia, (i) to grant the Directors the Share Issue Mandate, (ii) to grant the Directors the Share Repurchase Mandate; (iii) to adopt the Share Option Scheme 2021 and (iv) to re-elect the retiring Directors.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the Share Issue Mandate, the Share Repurchase Mandate, the Share Option Scheme 2021, the re-election of retiring Directors and the Annual General Meeting Notice as required under the Listing Rules and to seek your approval of the relevant Ordinary Resolutions relating to these matters at the Annual General Meeting. This circular also contains particulars of the Directors who will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

2. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general and unconditional mandate to the Directors to exercise all powers of the Company to allot, issue and deal with additional Shares not exceeding an aggregate of 20% of the issued Shares of the Company as at the date of passing of the resolution approving the Share Issue Mandate which, if passed, will confer the Directors the authority to allot, issue and deal with a maximum of 555,366,767 Shares (assuming there is no change in the issued Shares between the Latest Practicable Date and the date of passing the relevant resolution). The Share Issue Mandate shall expire upon the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiry of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held, and (iii) the date upon which such authority given under the Share Issue Mandate is revoked or varied by ordinary resolution of the Shareholders. Details of the Share Issue Mandate are set out in Ordinary Resolution No. 7 in the Annual General Meeting Notice.

In addition, Ordinary Resolution No. 9 in the Annual General Meeting Notice will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the aggregate number of Shares which may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to the Share Issue Mandate such number of Shares repurchased pursuant to the Share Repurchase Mandate, if granted.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general and unconditional mandate to the Directors to exercise all powers of the Company to repurchase issued and fully paid Shares not exceeding 10% of the number of issued Shares of the Company as at the date of passing of the resolution approving the Share Repurchase Mandate. The Share Repurchase Mandate allows the Company to make repurchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiry of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held, and (iii) the date upon which such authority given under the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders. Details of the Share Repurchase Mandate is set out in Ordinary Resolution No. 8 in the Annual General Meeting Notice.

LETTER FROM THE BOARD

An explanatory statement as required under the Listing Rules, containing all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution for approving the Share Repurchase Mandate, is set out in Appendix I to this circular.

4. ADOPTION OF SHARE OPTION SCHEME 2021

The Share Option Scheme 2011 was adopted by the Company on 29 April 2011. As at the Latest Practicable Date, no options have ever been granted under the Share Option Scheme 2011 and the Company does not maintain any other share option scheme other than the Share Option Scheme 2011. As the Share Option Scheme 2011 will expire on 29 April 2021, the Directors propose to adopt the Share Option Scheme 2021 at the Annual General Meeting.

At the Annual General Meeting, Ordinary Resolution No. 10 will be proposed for the Shareholders to consider and, if thought fit, adopt the Share Option Scheme 2021 which has a term of 10 years effective from the Adoption Date. The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options under the Share Option Scheme 2021 (together with all other schemes of the Company, if any) may not exceed 10% of the total issued share capital of the Company as at the Adoption Date, and such maximum number may however be refreshed in accordance with the terms of the Share Option Scheme 2021 which are summarised in Appendix III to this circular. Nonetheless, the Board shall not grant any Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted but yet to be exercised under the Share Option Scheme 2021 and any other share option schemes adopted by the Company which provide for the grant of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the Shares in issue from time to time.

As at the Latest Practicable Date, the total number of issued Shares was 2,776,833,835. Assuming that (i) there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of the Annual General Meeting; and (ii) the adoption of the Share Option Scheme 2021 is approved by the Shareholders at the Annual General Meeting, the Options carrying the right to subscribe for a maximum of 277,683,383 Shares, representing approximately 10% of the total issued share capital of the Company as at the date of the Annual General Meeting, will be available to be granted by the Directors under the Share Option Scheme 2021. The Board believes that it is in the interests of the Company to adopt the Share Option Scheme 2021 to allow the Company to grant options in order to reward eligible Employees in recognition of their contributions to the Group and to motivate Employees to strive for the long-term development of the Group.

LETTER FROM THE BOARD

The Share Option Scheme 2021 does not contain any specific requirements for the minimum period for which an Option must be held before exercise or for performance targets applicable to the Options. The Directors have retained the flexibility to impose such conditions as and when they consider appropriate.

None of the Directors is a trustee of the Share Option Scheme 2021 or has a direct or indirect interest in such trustee (if any) of the Share Option Scheme 2021.

The adoption of the Share Option Scheme 2021 is conditional upon:

- (i) the passing of Ordinary Resolution No.10 at the Annual General Meeting; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the Share Option Scheme 2021.

Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued upon the exercise of any Option to be granted under the Share Option Scheme 2021.

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the Share Option Scheme 2021 as if they had been granted on the Latest Practicable Date prior to the approval of the Share Option Scheme 2021, given that a number of variables, including the subscription price, exercise period, interest rate, expected volatility and other relevant variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions will not be meaningful to the Shareholders in the circumstances.

A summary of the principal terms of the rules of the Share Option Scheme 2021 is set out in Appendix III to this circular and copies of the rules of the Share Option Scheme 2021 will be available for inspection at the principal place of business of the Company at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

So far as the Directors are aware of, at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the Ordinary Resolution No.10 to approve the adoption of the Share Option Scheme 2021.

LETTER FROM THE BOARD

5. RE-ELECTION OF RETIRING DIRECTORS

Mr. Kui Man Chun and Mr. Li Wenjin, being executive Directors, and Mr. Chang Kai-Tzung, Richard (“Mr. Chang”), being an independent non-executive Director, shall retire from office by rotation at the Annual General Meeting. Being eligible, they offer themselves for re-election in accordance with Bye-laws 87(1) and 87(2).

The Board has considered the annual written confirmation of independence from Mr. Chang, the retiring independent non-executive Director, based on the independence criteria set out in Rule 3.13 of the Listing Rules. The Board is not aware of any circumstance which may influence him in exercising his independent judgment. On this basis, the Board considers Mr. Chang to be independent. In addition, Mr. Chang is a veteran in the electronic payment industry through his work experience in various Southeast Asian countries, Japan and Greater China. The Board believes that the re-election of Mr. Chang will provide the Company with a good balance and diversity of perspectives, skills and experience valuable for the business of the Group.

The particulars of the aforesaid retiring Directors and their interests, if any, in the Shares are set out in Appendix II to this circular.

6. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 May 2021 at 3:00 p.m. is set out on pages 27 to 32 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Share Issue Mandate and the Share Repurchase Mandate to the Directors, the extension of the Share Issue Mandate to any Shares to be repurchased under the Share Repurchase Mandate, the adoption of the Share Option Scheme 2021 and the re-election of the retiring Directors.

7. ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular and published on the website of the Stock Exchange (www.hkexnews.hk) and the Company’s website (www.hisun.com.hk). Whether or not you intend to be present at the meeting, you are requested to complete the form of proxy and return it to the Company in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

LETTER FROM THE BOARD

8. VOTING AT THE ANNUAL GENERAL MEETING

Rule 13.39(4) of the Listing Rules requires that all votes of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting in good faith decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the Annual General Meeting will therefore demand a poll for the Ordinary Resolutions to be put to the vote at the Annual General Meeting pursuant to Bye-law 66 and the Listing Rules. The results of the voting will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.hisun.com.hk) after the Annual General Meeting pursuant to the Listing Rules.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

10. RECOMMENDATION

The Directors consider that the granting to the Directors of the Share Issue Mandate and the Share Repurchase Mandate, the extension of the Share Issue Mandate to any Shares to be repurchased under the Share Repurchase Mandate, the adoption of the Share Option Scheme 2021 and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the Ordinary Resolutions to be proposed at the Annual General Meeting Notice.

11. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

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

The following is the explanatory statement required by the Listing Rules to provide requisite information to the Shareholders for consideration of the proposal to approve the Share Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 2,776,833,835. Subject to the passing of Ordinary Resolution No. 8 in the Annual General Meeting Notice approving the Shares Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 277,683,383 Shares, being 10% of the issued shares of the Company, from the date of the approval up to the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiry of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held, and (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in a general meeting.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Directors to repurchase Shares. The Directors believe that the Share Repurchase Mandate would give the Company additional flexibility where the situation warrants the repurchase of Shares.

Such repurchases may, depending on market conditions and funding arrangements at the time, result in an enhancement of the Company's net asset value per Share and/or earnings per Share and will only be made in circumstances which the Directors believe are appropriate and for the benefit of the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

Repurchases must be made out of funds which are legally available for such purpose in accordance with the memorandum of association of the Company, the Bye-laws and the laws and regulations of Bermuda. For example, the funds required for any repurchase could be derived from the distributable profits generated in the ordinary course of business of the Group.

In the event that the power to repurchase Shares pursuant to the Share Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period, there could be material adverse impact on the working capital or gearing position of the Company (as compared with the position as disclosed in the Company's most recently published audited financial statements contained in the Annual Report 2020). However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules) currently intend to sell any Shares to the Company in the event that the Share Repurchase Mandate is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Kui Man Chun, directly and indirectly, beneficially held 645,733,636 Shares, representing approximately 23.25% of the issued Shares. In the event that the Directors should exercise in full the Share Repurchase Mandate (assuming there is no other change to the shareholding structure of the Company except for the repurchase of Shares), the shareholding of Mr. Kui Man Chun in the Company would increase to approximately 25.84% of the issued shares of the Company. Such increase will not give rise to an obligation of Mr. Kui Man Chun to make a mandatory offer under the Takeovers Code. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchases made under the Share Repurchase Mandate. The Directors do not intend to exercise the Share Repurchase Mandate to such an extent that the public shareholding of the Company would be reduced to less than 25% of the issued shares of the Company.

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date are as follows:

Months	Share prices (per Share)	
	Lowest <i>HK\$</i>	Highest <i>HK\$</i>
2020		
April	0.80	1.00
May	0.76	0.90
June	0.73	1.29
July	0.86	1.06
August	0.95	1.20
September	0.82	0.98
October	0.84	1.04
November	0.84	0.92
December	0.88	1.21
2021		
January	0.97	1.55
February	1.33	3.25
March	1.38	1.87
April (up to the Latest Practicable Date)	1.42	1.59

The followings are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting:

KUI MAN CHUN

Mr. Kui Man Chun (“Mr. Kui”), age 55, is the Chief Executive Officer and an Executive Director of the Company. He graduated from Peking University in the PRC with a master’s degree in international relations and has over 29 years of experience in the information technology industry and investment activities. Mr. Kui is also the chairman, chief executive officer and a director of Hi Sun Limited (“HSL”), the Company’s substantial shareholder. Prior to joining HSL in 2000, Mr. Kui was the president of an enterprise in the PRC. He joined the Group in 2000.

Save as disclosed above, Mr. Kui does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders. As at the Latest Practicable Date, Mr. Kui, directly and indirectly, holds 645,733,636 Shares, representing approximately 23.25% of the Shares in issue. Save as such interest, Mr. Kui does not have, and is not deemed to have, any other interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

The service agreement between the Company and Mr. Kui was entered into for an initial term of 1 year commencing on 1 April 2019 and shall continue thereafter, subject to retirement and re-election in accordance with the Bye-laws that every Director shall retire by rotation at least once every 3 years, unless and until terminated by either the Company or Mr. Kui giving to the other not less than 1 month’s notice in writing or payment in lieu. Pursuant to the service agreement, Mr. Kui is entitled to (i) an annual Director’s fee of HK\$2,520,000, which is determined by the Board as recommended by the remuneration committee, with the authority granted by the Shareholders at annual general meeting with reference to his duties and responsibilities and market conditions; and (ii) discretionary bonus payments for his office as an executive Director, the amount of which is recommended by the remuneration committee and determined by the Board at its absolute discretion.

Mr. Kui will retire and, being eligible, offer himself for re-election at the Annual General Meeting in accordance with the Bye-laws, Listing Rules and the applicable laws.

LI WENJIN

Mr. Li Wenjin (“Mr. Li”), age 57, is an Executive Director of the Company. He graduated from Peking University in the PRC with a master’s degree in law. He has over 29 years of experience in investment and administrative affairs. Mr. Li is also a director of HSL. Prior to joining HSL in 1999, he had worked for several companies in the PRC and Hong Kong. He joined the Group in 2000. Mr. Li has also served as an executive director of PAX Global Technology Limited, an associated corporation of the Company and a company listed on the Main Board of the Stock Exchange, since 24 February 2010.

Save as disclosed above, Mr. Li does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders. As at the Latest Practicable Date, Mr. Li holds 6,400,000 Shares, representing approximately 0.23% of the Shares in issue. Save as such interest, Mr. Li does not have, and is not deemed to have, any other interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

The service agreement between the Company and Mr. Li was entered into for an initial term of 1 year commencing on 1 April 2019 and shall continue thereafter, subject to re-election in accordance with the Bye-laws that every Director shall retire by rotation at least once every 3 years, unless and until terminated by either the Company or Mr. Li giving to the other not less than 1 month’s notice in writing or payment in lieu. Pursuant to the service agreement, Mr. Li is entitled to (i) an annual Director’s fee of approximately HK\$2,160,000, which is determined by the Board as recommended by the remuneration committee, with the authority granted by the Shareholders at annual general meeting with reference to his duties and responsibilities and market conditions; and (ii) discretionary bonus payments for his office as an executive Director, the amount of which is recommended by the remuneration committee and determined by the Board at its absolute discretion.

Mr. Li will retire and, being eligible, offer himself for re-election at the Annual General Meeting in accordance with the Bye-laws, Listing Rules and the applicable laws.

CHANG KAI-TZUNG, RICHARD

Mr. Chang Kai-Tzung, Richard (“Mr. Chang”), age 66, is an Independent Non-Executive Director of the Company. Mr. Chang graduated from the University of Texas at Austin, United States of America with a bachelor’s degree in Statistics and Operations Research. Mr. Chang possesses more than 27 years of experience in electronic payments industry in Southeast Asia, Japan and the Great China. Mr. Chang was the Senior Vice President, Global Clients APCEMEA of VISA Inc. (“VISA”) in Singapore. He was previously VISA’s Greater China General Manager, Japan General Manager, and senior country manager for Singapore, Thailand, the Philippines and Indochina. He joined the Group in 2009 as a Non-Executive Director and was re-designated as an Independent Non-Executive Director on 26 February 2016.

Mr. Chang does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Chang does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Chang will enter into a service agreement with the Company for a term of 1 year commencing on 19 April 2021, subject to re-election in accordance with Bye-laws and unless and until terminated by either the Company or Mr. Chang giving the other not less than 2 months’ notice in writing or payment in lieu. Pursuant to the service agreement, Mr. Chang is entitled to (i) an annual Director’s fee of HK\$220,000, which is determined by the Board as recommended by the remuneration committee, with the authority granted by the Shareholders at annual general meeting with reference to his duties and responsibilities and market conditions; and (ii) discretionary bonus payments for his office as an independent non-executive Director, the amount of which is recommended by the remuneration committee and determined by the Board at its absolute discretion.

Mr. Chang will retire and, being eligible, offer himself for re-election at the Annual General Meeting in accordance with the Bye-laws, Listing Rules and the applicable laws.

Save as disclosed above, the Board is not aware of any other matters in relation to the retiring Directors concerning their re-election at the Annual General Meeting which need to be disclosed under Rule 13.51(2) of the Listing Rules or brought to the attention of the Shareholders.

The following is a summary of the principal terms of the Share Option Scheme 2021:

1. PURPOSE

The purpose of the Share Option Scheme 2021 is for the Group to attract, retain and motivate talented Employees to strive for future developments and expansion of the Group. The Share Option Scheme 2021 shall be an incentive to encourage the Employees and allow the Employees to enjoy the results of the Company attained through their effort and contribution.

2. WHO MAY JOIN AND BASIS OF ELIGIBILITY

The Board may in its absolute discretion grant Options to any Employee. The basis of eligibility of the Employee to the grant of any Option shall be determined by the Board from time to time with reference to their contribution to the development and performance of the Group.

3. DURATION OF THE SHARE OPTION SCHEME 2021

The Share Option Scheme 2021 shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted but the provisions of the Share Option Scheme 2021 shall remain in full force and effect in all other respect for the outstanding Options previously granted thereunder.

4. OPTION PRICE AND SUBSCRIPTION PRICE

- (a) Options may be granted for a consideration of HK\$1.00 which shall be paid to the Company within 21 days from the Offer Date.
- (b) The Subscription Price shall be determined at the discretion of the Board and notified to an Employee and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a trading day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

5. MAXIMUM NUMBER OF SHARES

- (a) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme 2021, and any other share option schemes of the Company in issue, shall not in aggregate exceed 10% of the relevant class of securities of the Company in issue as at the Adoption Date unless the Company obtains a fresh approval from its Shareholders.
- (b) The Company may seek approval of the Shareholders in general meeting to refresh the 10% limit set out above such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme 2021 and any other share option schemes of the Company in issue shall not in aggregate exceed 10% of the relevant class of securities of the Company in issue as at the date of approval of the renewed limit. Options previously granted under the Share Option Scheme 2021 and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme 2021 or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.
- (c) The Company may seek separate approval of the Shareholders in general meeting for granting Options in excess of the aforesaid 10% limit to Employees specifically identified before such approval is sought.
- (d) Notwithstanding anything in the above paragraphs 5(a), 5(b) and 5(c), the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme 2021 and any other share option schemes of the Company shall not in aggregate exceed 30% of the relevant class of securities of the Company in issue from time to time.
- (e) The total number of Shares which may be issued and to be issued upon exercise of all exercised and/or outstanding options granted to each Employee shall not in aggregate exceed 1% of the relevant class of securities of the Company in issue in any 12-month period.

- (f) Any further grant of Options in excess of the aforesaid 1% limit shall be subject to Shareholders' approval in general meeting with such Employee and his/her close associates (or his/her associates if such Employee is a connected person) abstaining from voting. The Company will send a circular to the Shareholders and the circular will disclose the identity of the Employee, the number and terms of the Options to be granted (and Options previously granted to such Employee), the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Employee shall be fixed before the Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of offer for the purpose of calculating the Subscription Price.
- (g) If the Company conducts a share consolidation or subdivision, the maximum number of Shares that may be issued upon exercise of all Options to be granted under all of the schemes of the Company under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such share consolidation or subdivision shall be the same.

6. GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of Options to an Employee who is a director, chief executive or substantial Shareholder of the Company or their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee).
- (b) Where the Board proposes to grant any Option to an Employee who is a substantial Shareholder, an independent non-executive Director or any of their respective associates and such Option which if exercised in full, would result in such Employee becoming entitled to subscribe for such number of Shares, when aggregated with the total number of Shares already issued and issuable to him/her pursuant to all the options granted (including options exercised, cancelled and outstanding) to him/her in the 12-month period up to and including the date of such grant (the "Relevant Date"):
 - (i) representing in aggregate more than 0.1% of the relevant class of securities of the Company in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Relevant Date, in excess of HK\$5,000,000,

such proposed further grant of Options must be approved by the Shareholders in general meeting with the Employee concerned, his/her associates and all core connected persons of the Company abstaining from voting in favour of the relevant resolution(s). Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll.

7. TIME FOR GRANT AND EXERCISE OF OPTIONS

- (a) The grant of Option may not be made after inside information has come to the knowledge of the Company until (and including) the trading day after it has announced the information. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of meeting of the Board for the approval of the Company's results for any year, half-year, quarterly or any other interim period; and (ii) the deadline for the Company to publish its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements.
- (b) The Grantee may subscribe for Shares during such period as may be determined by the Board and the period shall commence on the date on which the Option is granted to the Grantee and expire in any event not later than the last day of the 10 years period after the date of such grant (subject to early termination). There is no minimum period for which an Option must be held before it can be exercised.

8. PERFORMANCE TARGET

The Share Option Scheme 2021 does not provide any specific performance targets that need to be met before a Grantee is entitled to exercise an Option duly granted, save that the Board may at its discretion when making individual offers under the Share Option Scheme 2021 impose any conditions, restrictions or limitations in relation thereto as it may think fit.

9. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or in any manner dispose of or create any interest in favour of any third party over or in relation to any Option or enter into any agreement to do so; or shall the Grantee purport to do so. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Option granted to such Grantee (to the extent not already exercised).

10. EXERCISE OF OPTIONS

An Option may be exercised by the Grantee at any time during the Option Period provided that:

- (a) if the Grantee ceasing to be an Employee for any reason other than death or termination of employment or directorship on ground(s) specified in the Share Option Scheme 2021, the Grantee may exercise the Option up to his/her entitlement as at the date of cessation (to the extent not already exercised) within a period of 1 month (or such other period as the Board may determine) following the date of such cessation;
- (b) if the Grantee dies and none of the ground(s) specified in the Share Option Scheme 2021 for termination of employment or directorship arises, the legal personal representative(s) of the Grantee may exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent not already exercised) within a period of 12 months or such longer period as the Board may determine from the date of death;
- (c) if a general offer is made to all the Shareholders and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of the Shareholders (in the case of a scheme of arrangement), the Grantee (or his/her legal personal representative(s)) may by written notice to the Company at any time (in the case of a takeover offer) within 21 days of such offer becoming or being declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company, exercise the Option to its full extent (regardless of any restrictions or conditions that may otherwise apply to all or part of that Option, to the extent not already exercised) or to the extent specified in such notice;
- (d) if a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantee who have Options unexercised on the same date as it despatches the notice of meeting to the Shareholder or creditor of the Company to consider such a compromise or arrangement, and thereafter the Grantee (or his/her legal personal representative(s)) may until the expiry of the earlier of:
 - (i) the Option Period;
 - (ii) the period of two months from the date of such notice; and

- (iii) the date on which such compromise or arrangement is sanctioned by the Court, exercise the Option in full or in part, conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective; and
- (e) if a notice is given by the Company to convene a Shareholders' meeting for approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after despatching such notice, give notice to all Grantees and thereupon, each Grantee (or his/her legal personal representative(s)) shall be entitled to exercise the Options in full or in part (to the extent not already exercised) any time not later than 2 Business Days prior to the proposed general meeting of the Company by giving written notice to the Company, accompanied by a remittance for the full amount of Subscription Price for Shares specified in such notice whereupon the Company shall allot the relevant Shares to the Grantee credited as fully paid no later than the Business Day immediately prior to the date of the proposed general meeting referred to above.

11. RANKING OF SHARES

The Shares to be allotted upon exercise of an Option will be subject to all the provisions of the Bye-Laws of the Company for the time being in force and will be identical to and rank *pari passu* in all respects (including voting, dividend, transfer and other rights, including those arising on a liquidation of the Company) with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the relevant date of allotment.

12. VOTING RIGHT AND OTHERS

- (a) Prior to the Grantee being registered on the register of members of the Company, the Grantee shall not have any voting rights, rights to participate in any dividends or distributions or any rights arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.
- (b) The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

13. LAPSE OF OPTIONS

An Option shall lapse automatically (to the extent not already exercised) on

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraphs 10(a), 10(b), 10(c) or 10(e) above;
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 10(d) above;
- (iv) the date on which the Board exercises the Company's right to cancel the Option at any time after the Grantee ceases to be an Employee by reason of termination of employment or directorship on the grounds of guilt of misconduct, or act of bankruptcy or insolvency or arrangements or composition made with his/her creditors generally, or conviction of criminal offence involving integrity or honesty or on any other ground an employer would be entitled to terminate his/her employment or directorship at common law or laws applicable or under the Grantee's service contract with the Group; or
- (v) the date on which the Options are cancelled in accordance with the terms of the Share Option Scheme 2021.

14. REORGANISATION OF CAPITAL STRUCTURE

- (a) In the event of a capitalisation issue, rights issue, open offer, sub-division or consolidation of Shares or reduction of capital of the Company whilst any Option remains exercisable, corresponding alterations (if any) shall be made in:
 - (i) the number of Shares subject to Options already granted so far as they remain unexercised; and/or
 - (ii) the Subscription Price; and/or
 - (iii) the method of exercise of the Option (if applicable),

provided that:

- (aa) no such alteration shall be made in respect of an issue of securities by the Company as consideration in a transaction;
 - (bb) any such alterations shall give a Grantee the same proportion of the issued share capital of the Company as that he or she is previously entitled;
 - (cc) no such alterations shall be made which would result in the Subscription Price for a Share being less than its nominal value;
 - (dd) any such alterations, save as those made on a capitalisation issue, shall be confirmed by the Auditors or an independent financial adviser in writing to the Directors as satisfying the requirements of sub-paragraphs (bb) and (cc) above;
 - (ee) any such alterations made pursuant to a sub-division or consolidation of share capital shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event; and
 - (ff) any such alterations made pursuant to an issue of securities with a price-dilutive element, such as a rights issue or open offer, shall be made in accordance with the Listing Rules and the relevant guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.
- (b) If there has been any alteration in the capital structure of the Company as referred to in paragraph 14(a) above, the Company shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditors or the independent financial adviser (as the case may be) obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser (as the case may be) as soon as practicable to issue a certificate in that regard in accordance with paragraph 14(a) above.

15. ALTERATION OF THE SHARE OPTION SCHEME 2021

- (a) Subject to paragraph 15(b) below, the Share Option Scheme 2021 may be altered in any respect by resolution of the Board except that certain provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees or prospective Grantees except with prior approval of the Shareholders in general meeting (with Grantees and their respective close associates (or their respective associates if the Grantees are connected persons) abstained from voting).
- (b) Any alteration to the Share Option Scheme 2021 which is of a material nature or any change to the terms of Options granted, shall be approved by the Shareholders in general meeting (with Grantees and their respective close associates (or their respective associates if the Grantees are connected persons) abstained from voting), except where the alterations take effect automatically under the existing terms therein.
- (c) Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme 2021 shall be approved by the Shareholders in general meeting.

16. CANCELLATION OF OPTIONS

The Board may cancel any Option granted but not exercised with the consent of the Grantee of such Options. For the avoidance of doubt, no consent of the Grantee is required in the event any Option is cancelled pursuant to paragraph 9 above.

Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the Share Option Scheme 2021 where there is available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraphs 5(a), 5(b) and 5(c) above.

17. ADMINISTRATION

The Share Option Scheme 2021 shall be administered by the Board and the Board shall, subject to the provisions of the Share Option Scheme 2021, administer it in such manner as it shall in its absolute discretion deem fit.

18. TERMINATION OF THE SHARE OPTION SCHEME 2021

The Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme 2021 prior to the expiry of the period referred to in paragraph 3 above. In such event no further Options will be offered but the provisions of the Share Option Scheme 2021 regarding any outstanding Options shall remain in full force and effect. Such Options shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme 2021.

NOTICE OF ANNUAL GENERAL MEETING



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技（中國）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Hi Sun Technology (China) Limited (the “Company”) will be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 May 2021 at 3:00 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “Directors”) and the auditors of the Company for the year ended 31 December 2020;
2. To re-elect Mr. Kui Man Chun as a Director;
3. To re-elect Mr. Li Wenjin as a Director;
4. To re-elect Mr. Chang Kai-Tzung, Richard as a Director;
5. To authorise the Board of Directors to fix the remuneration of the Directors;
6. To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorise the Board of Directors to fix their remuneration;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass, with or without modifications, the following as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

7. **“THAT:**
- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of shares of the Company allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any option granted under all the share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants or securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the total number of the issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe and/or exchange for shares to the holders of shares of the Company, or any class thereof, whose name appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) in proportion to their holdings of such shares (or, where appropriate, such other securities) (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

8. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (the “Securities and Futures Commission”) and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of the issued shares of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly (assuming there is no change to the total number of issued shares of the Company from the date of this notice to the date of the passing of this resolution, the maximum number of ordinary shares of the Company that may be repurchased under this resolution is 277,683,383); and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying the authority given to the Directors by this resolution.”
9. “**THAT** subject to the passing of resolutions No. 7 and No. 8 set out in this notice, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to resolution No. 7 set out in this notice be and is hereby extended by the addition thereto of the total number of the issued shares of the Company to be repurchased by the Company under the authority granted pursuant to resolution no. 8 set out in this notice, provided that the total number of issued shares so repurchased shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT** subject to and conditional upon the Stock Exchange granting the listing of and permission to deal in any shares of the Company (“Shares”) to be issued pursuant to the exercise of options (“Options”) to subscribe for Shares granted pursuant to the new share option scheme of the Company (the “Share Option Scheme 2021”), the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the Chairman thereof, the Share Option Scheme 2021 be and is hereby approved and adopted with immediate effect and the directors of the Company be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements, amendments and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme 2021 including but without limitation:
- (i) to administer the Share Option Scheme 2021 under which Options may be granted to participants eligible under the Share Option Scheme 2021;
 - (ii) to modify and/or amend the Share Option Scheme 2021 from time to time provided that such modification and/or amendment is effected in accordance with the terms of the Share Option Scheme 2021 relating to modification and/or amendment of the Share Option Scheme 2021;
 - (iii) to issue and allot from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of Options under the Share Option Scheme 2021 provided always that the total number of Shares subject to the Share Option Scheme 2021, when aggregated with any Shares subject to any other share option schemes of the Company, shall not exceed 10 per cent. of the relevant class of securities of the Company in issue as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10 per cent. limit under the Share Option Scheme 2021 and the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme 2021 and any other share option schemes of the Company shall not exceed 30 per cent. of the relevant class of securities of the Company in issue from time to time;
 - (iv) to make application at the appropriate time or times to the Stock Exchange for listing of and permission to deal in any Shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the Options under the Share Option Scheme 2021; and

NOTICE OF ANNUAL GENERAL MEETING

- (v) to consent, if they so deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme 2021.”

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

Hong Kong, 13 April 2021

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting (or any adjournment thereof) (the “Meeting”) convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the Meeting is enclosed.
- (3) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the Meeting if the member so desires.
- (4) To be valid, a form of proxy must be duly completed and signed in accordance with the instructions printed thereon and lodged, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the principal place of the business of the Company at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting.
- (5) Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the Annual General Meeting will be Wednesday, 12 May 2021. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 12 May 2021.
- (6) With regard to resolutions no. 2 to no. 4 in this notice, the Board of Directors proposes that the Directors, namely, Mr. Kui Man Chun, Mr. Li Wenjin and Mr. Chang Kai-Tzung, Richard be re-elected as Directors. The particulars of these Directors are set out in Appendix II to the circular to the shareholders dated 13 April 2021.
- (7) All votings on the resolutions in this notice by the members at the Meeting shall be conducted by poll.