



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Stock code: 818.HK)

Hi Sun Tech Achieves New Record Results for 2017 Interim Results

Net Profit Increases 75% to HK\$210 Million

Segmental Operating Profit Surges 240%, Core Business Sustains Profitability Growth

Payment Processing Solutions Business Doubles in Scale, Boosting Continuous Segmental Growth

Financial Highlights

HK\$'000	1H2017	1H2016	Change
Revenue	1,075,114	657,453	+64%
From payment processing solutions	742,794	372,164	+100%
Segmental operating profit	96,791	28,308	+242%
From payment processing solutions	105,133	61,797	+70%
Operating profit	138,167	24,564	+463%
Profit for the period	209,833	120,095	+75%
Basic earnings per share for profit attributable to equity holders of the Company (HK\$)	0.07	0.04	+75%

[9 August 2017, Hong Kong] A leading payment & finance solutions provider in China - **Hi Sun Technology (China) Limited** (the "Company"; Stock code: 818.HK) announced the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 (the "Reporting Period").

During the Reporting Period, reaping the benefits from the growing operational scale of the payment processing solutions segment of the Group, the consolidated revenue of the Group reached HK\$1,075.1 million, representing an increase of 64% when compared with the HK\$657.5 million for the same period last year. The operating profit was HK\$138.2 million, significantly soared nearly 5 times as compared to HK\$24.6 million for the same period last year. Profit for the period was HK\$209.8 million, which increased by 75% when compared with the HK\$120.1 million for the same period last year. Basic earnings per share for profit attributable to equity holders of the Company increased by 75% to HK\$0.07.

Payment Processing Business Contributes to the Doubled Revenue, Boosting in the Segmental Business and a Surge in Results Performance

During the Reporting Period, the payment processing business, as the Group's major development direction and source of revenue, achieved a segmental revenue of HK\$742.8 million, which increased by 100% as compared with HK\$372.2 million for the same period last year. Segmental EBITDA grew by 73% to HK\$172.1 million. Segmental operating profit increased by 70% to HK\$105.1 million.

Since its inception, the payment processing business has experienced rapid development with scale growing year after year. By the end of June 2017, 隨行付支付有限公司("SXF"), a subsidiary of the Group which is mainly engaging in payment processing business, saw the accumulated number of active merchants in Mainland China doubled to 2 million (by the end of June 2016: approximately 1 million). The accumulated transaction volume exceeded RMB450 billion in the first half of the year and the monthly transaction volume also hit a new high. In addition to the growths in merchant base and transaction volume, SXF achieved good progress in its diversified development. Benefit from the rapid growth in SXF's innovation payment, the accumulated number of MPOS merchants and innovative QR code payment merchants accounted for over 50% of the total number of merchants. Since the Group obtained the qualification for cross-border RMB payment business at the end of 2016, the internet payment and cross-border payment business achieved a transaction volume of over RMB5 billion within the six months alone.

Attributing to the preliminary concept of integrating payment services (which supports bank card payment, mobile payment, QR code payment and other mainstream and innovative payment methods) last year, SXF upgraded and launched the "smart payment platform" solution in the first half of 2017. Based on the principles of "openness", "integration" and "connection", the platform caters to provide a set of application solutions for various payment scenarios to industry players that better supports different terminals, different users and various hardware and software. At the end of June 2017, SXF passed the review of the People's Bank of China and successfully renewed the licenses of bank card acquiring, internet payment and mobile payment for a five-year period. As one of the leading non-bank offline payment institutions in the industry, SXF will leverage its existing advantages and continue to expand the scale of its payment business, seeking to use payment services as an entry point to explore the demand for popular financial services from small and micro size merchants. The Group believes that SXF and the payment processing business will continue to see widening room for development.

Information Security Chips and Solutions Achieves Breakthrough, Core Technologies in Both Financial and Telecommunication to Maintain its Competitive Edges

In addition to the notable growth in the payment processing business, the information security chips and solutions business achieved a breakthrough in scale during the Reporting Period. The segmental sales volume more than doubled to HK\$53.9 million, approaching the annual sales volume of 2016. It led to more than 300% of growth in segmental operating profit. The information security chips and solutions business is mainly engaged in provision of financial payment security

authentication solutions and information security transmission solutions to payment terminals and other information security devices. Through the development in recent years, the Group has already become one of the major suppliers in China providing related chips and solutions of financial payment security authentication and information security transmission to a number of Chinese renowned major suppliers of e-payment terminals. Against a backdrop of the prosperous development of China's e-payment market, the Group sees large potential ahead in the information security chips industry.

Other fundamental businesses of Hi Sun maintained a steady development. In the area of financial solutions, the Group maintained its focus on core banking system. The Group had put into operation the core system construction projects for the domestic and foreign banks including China Everbright Bank (Luxembourg), China Minsheng Bank (Hong Kong), Dah Sing Bank (Mainland China) and the Bank of Suzhou. The Group also won the tender for the core system renovation project for Dongguan Rural Commercial Bank Co., Ltd. and the system construction projects for Chinese famous block chain technology entrepreneurial company Goopal (“果仁寶” or “Guo Ren Bao”), reflecting an abundance of orders in hand. For the platform operation solutions segment, the Group has continued to provide business development, platform operation and system support to China Mobile's mobile payment business (“和包” or “And Wallet”), the IVR voice business and the animation business. Besides, the Group has renewed the operational supporting services contract with the E-commerce Base of China Mobile. Looking ahead, the Group will continue to leverage its edge in financial and telecommunication technologies as a core to maintain steady development in the traditional businesses. On this footing, the Group is set to reap synergic benefits and sufficient technical support to the payment processing business and other related businesses.

The Group commented, “From a holistic perspective, the Group anchors its development focus on the payment processing business and seizes opportunities in industries where the other businesses operate in, proactively riding on the development tides of internet finance and financial technologies. The Group strives to achieve steady development and persistently explores, strengthens and utilizes its core technologies and synergies in financial technologies and service chain on both the upstream and downstream, online and offline, and software and hardware fronts. The Group endeavors to work diligently and excels in its performance.”

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About Hi Sun Technology (China) Limited

Hi Sun Technology (China) Limited (“Hi Sun Tech,” stock code: 818.HK) is a leading integrated solutions provider of payment, finance and telecommunications in China. Hi Sun Tech is principally engaged in the provision of payment processing solutions, provision of financial solutions, sales of electronic power meters, information security chips and solutions and provision of platform operation solutions.

For investor enquiries

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**For identification purpose only*