



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Stock code: 818.HK)

Hi Sun Tech 2016 Annual Net Profit Increases 62% to HK\$310 Million
Payment Processing Segmental Profit Surges Nearly 200%
Maintains Rapid Pace of Growth in Two Consecutive Years

Financial Highlights

<i>HK\$'000</i>	2016	2015	Change
Revenue	1,921,237	1,376,846	+40%
From payment processing solutions	1,050,313	511,178	+105%
Segmental operating profit	193,980	72,068	+169%
From payment processing solutions	169,652	60,265	+182%
Profit for the period	312,656	192,692	+62%
Basic earnings per share for profit attributable to equity holders of the Company (HK\$)	0.102	0.066	+55%

[8 March 2017, Hong Kong] A leading payment & finance solutions provider in China - **Hi Sun Technology (China) Limited** (the “Company”; Stock code: 818.HK) announced the audited consolidated results of the Company and its subsidiaries (the “Group”) for the twelve months ended 31 December 2016 (the “Reporting Period”).

During the Reporting Period, the consolidated revenue of the Group was HK\$1,921.2 million, representing an increase of 40% compared with the same period last year. Due to the outstanding performance of the payment processing solutions segment, the segmental EBITDA of the Group totaled HK\$297.1 million, representing a year-on-year increase of 119%. Segmental operating profit of the Group totaled HK\$194.0 million, representing a year-on-year increase of 169%. Profit for the period increased by 62% to HK\$312.7 million. Basic earnings per share for profit attributable to equity holders of the Company increased by 55% to HK\$0.102.

Payment processing business contributes the revenue of over HK\$1 billion, keeping significant growth over the years

Riding on our strength in sales channels and risk control, the Group's payment processing solutions segment has shown an encouraging performance again. During the Reporting Period, segmental revenue of business amounted to HK\$1,050.3 million, representing an increase of 105% as compared with HK\$511.2 million in 2015. Segmental EBITDA surged by 153% to HK\$253.2 million. Segmental operating profit of the business soared 182% to HK\$169.7 million.

Since the Group started the payment processing solutions segment, the relevant business has been developed rapidly while the business scale has expanded year by year. By the end of December 2016, 隨行付支付有限公司 ("SXF"), a subsidiary of the Group which is mainly engaged in the payment processing solutions business, has accumulated over 1.4 million domestic merchants (approximately 0.8 million and 0.3 million at the end of 2015 and 2014, respectively). The highest monthly transaction volume of 2016 achieved a scale of RM80 billion (RMB60 billion and RMB40 billion in 2015 and 2014, respectively). Apart from further expanding the business scale, SXF has also actively promoted diversified business development and launched various acquiring services such as mobile payment (mPOS, UnionPay QuickPass, Apple Pay and other contactless payment), QR code payment, Smart POS. The early settlement financial service business launched in the middle of 2015 has continued to drive stable income for SXF. On the other hand, the People's Bank of China approved SXF's filing to operate a cross-border RMB payments business, granting the qualification of SXF in regards of the commercial cross-border RMB payment market. As one of the leading non-bank payment institutions in the industry, the Group believes that SXF and the payment processing business is well positioned to gain more room for further development.

Driven by core technology advantages both in financial and telecommunication, maintaining the market scale and actively exploring new business potential

During the Reporting Period, the Group continued to focus on financial technology and telecommunication technology, offering technology support and business synergy to the payment processing business along with the overall strategic deployment, and remained steady development in other relevant businesses. For the financial solutions segment, the Group continued to focus on core banking systems, steadily expanded its market position with traditional customers such as China's "Big 5" banks, joint-equity banks, their overseas arms, and non-bank financial institutions, won the tenders of core banking systems construction projects for China Everbright Bank (Luxembourg), China Zheshang Bank (Hong Kong), China Bohai Bank (Hong Kong), Bank of Suzhou and Huishang Bank, etc. In the platform operation solutions segment, except from maintaining the existing payment platform business scale, the Group is actively developing and innovating in regards of the

Internet finance and Internet medical business and has made modest progress.

Positive effects from optimizing electronic power meters and platform operation business

Benefited from the continuous efforts and business optimization of electronic power meters and solutions, the relevant business cost of the segment has been reduced, the tender capability and shipment level have been improved. During the Reporting Period, the revenue of electronic power meters and solutions segment increased by 50% to HK\$314.8 million compared with the same period last year. The segmental operating profit swung from loss and kept growing to HK\$18.6 million. In addition, in order to optimize business operations and concentrate the investment of resources, the Group has integrated the original telecommunication solutions and payment platform solutions into “platform operation solutions,” so as to collectively and efficiently provide the main customer of China Mobile with a series of services for the business development, business operation, and system operations and maintenance with regard to its mobile payment business (“和包” or “And Wallet”), voice value-added businesses and animation business, etc. After a short-term fluctuation in profit, the integrated business of this segment is expected to return to stability.

The Group commented, “SXF has become one of the first institutions to support UnionPay QR code payment, implying SXF is now positioned to enter into a booming industry of the Chinese barcode payment processing systems. Combining the mobile payment, Smart POS payment and financial value-added services in SXF’s product mix, with its strength in channels and risk control, SXF is aiming to become the most reliable payment and financial solutions supplier among the broad mid-small offline merchants.

Throughout the overall situation, the Group will seize opportunities from each business segment, actively grasp the development trend of Internet finance and financial technology, and maintain steady growth. Meanwhile, the Group will continue to explore, strengthen and take the advantages of various core technologies and synergies in the financial technology and services industry chain of the Group, including upstream to downstream, online to offline, and software to hardware, to keep moving forward and striving for the leading position.”

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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 and solutions and provision of platform operation solutions.

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This press release is distributed by **Financial PR (HK) Limited** on behalf of **Hi Sun Technology (China) Limited**.

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