



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技（中國）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 818.HK)

Hi Sun Tech Announces 2019 Annual Results: Adjusted Net Profit Increases 32% to HK\$713 million

Undertake the Task of Advancing Industry Digitalisation, Actively Lay out Multidimensional Business Development

Results Highlights

1. During the Year, the Group's payment processing solutions segment continued to maintain a steady and solid increase, with annual accumulative transaction volume exceeded RMB1,760 billion in 2019, and the total number of transactions increased by 129% as compared with last year, driven by the rapid growth of mobile QR code payment transactions.
2. While pursuing performance growth, the Group adhered to compliance development and looked to the wider international market. During the Year, the Group have successfully brought in the strategic investment from EQT, which speeded up the overseas expansion strategy.
3. The Group will continue to integrate advanced technologies into its services, export the digital empowerment advantage in data and scenarios, and solve the urgent digital transformation demands of medium, small, and micro companies.

Financial Highlights

HK\$'000	FY2019	FY2018	Change
Revenue	5,575,981	4,661,954	+20%
From payment processing solutions	4,672,640	3,744,922	+25%
From information security chips and solutions	290,010	291,567	-1%
Segmental EBITDA [▲]	1,148,726	862,647	+33%
From payment processing solutions [▲]	1,160,533	884,448	+31%
From information security chips and solutions [▲]	29,639	26,475	+12%
Profit for the year	682,967	337,290	+102%
Profit for the year (adjusted) [▲]	713,270	538,737	+32%
Basic earnings per share for profit attributable to equity holders of the Company (HK\$)	0.205	0.100	+105%

[▲] Excluding the non-cash share option expenses of approximately HK\$30,303,000 under the information security chips and solutions segment during the Year, approximately HK\$195,300,000 under the payment processing solutions segment and approximately HK\$6,147,000 under the information security chips and solutions segment in 2018.

[30 March 2020, 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 2019 (the “Year”).

During the Year, the Group’s consolidated revenue reached HK\$5,576.0 million, representing an increase of 20% when compared with HK\$4,662.0 million for the same period last year. The Group’s operating profit was HK\$578.2 million, representing an increase of 124% when compared with HK\$258.5 million for the same period last year. Profit for the year was HK\$683.0 million, representing an increase of 102% when compared with HK\$337.3 million for the same period last year. The increase in profit was mainly contributed by the increase in segmental profit from the payment processing solutions segment, and the absence of share option expenses of approximately HK\$195.3 million under the segment in 2018. Adjusted profit for the year was HK\$713.3 million, representing an increase of 32% when compared with the same period last year. Basic earnings per share for profit attributable to the equity holders of the Company increased 105% to HK\$0.205.

Strengthening Technical Barriers, Helping Small and Micro Companies with Digital Upgrades

During the Year, the Group’s payment processing solutions business continued to grow steadily. The segmental turnover amounted to HK\$4,672.6 million, representing an increase of 25% when compared with the same period last year; the segmental operating profit amounted to HK\$696.5 million, representing an increase of 75% when compared with the same period last year. In 2019, VBill OPCO (“VBill”), a subsidiary of the Group primarily engaged in its payment processing business, has 3.5 million accumulated active domestic merchants with the cumulative transaction volume exceeded RMB1,760 billion for the Year. The total number of transactions increased 129% to 0.9 billion transactions, contributed mainly by the rapid growth of mobile QR code payment transactions.

With offline-based payment scenarios becoming much more complicated, and payment needs becoming much more diverse, VBill has been focusing on offline-based scenarios, continuously innovating technologies and upgrading service models; integrating 5G, blockchain, artificial intelligence, and other advanced technologies in its services; and comprehensively helping small and micro companies with digital and intelligent transformation. The strategy has thus far achieved remarkable results despite fierce industry competition.

Basing on Local and Prospecting Globally, Actively Pursuing Multidimensional Business Development

The repaid development of cross-border e-commerce has introduced wider development

prospects for the cross-border payment industry. During the Year, the Group has obtained the Hong Kong Money Service Operation (“MSO”) license that laid the foundation for cross-border payment business. Moreover, the Group has successfully brought in the strategic investment from EQT. EQT has distinct achievements in the aspects of finance and payment, the Group considered that the addition of EQT will speed up VBill’s overseas strategy. In the future, the Group will explore the wider international market, and is committed to offering less costly, more efficient and diversified payment and fintech services to a wider user base.

Facing a complex external environment and fierce market competition, the Group’s other fundamental business segments made steady progress during the Year. During the Year, the performance of the Group’s information security chips and solutions segment remained similar to last year. Research and development projects are progressing smoothly, and cost reduction initiatives of various products are rolling out in an orderly manner. In terms of platform operation solutions, the Group continued the provision of operational supporting services to three bases of China Mobile. As the biggest operational supporting partner of China Mobile Financial Technology Co., Ltd., the Group expected to strengthen its strategic cooperation in integrated payment, featured e-commerce, and fintech business with China Mobile, and to expand its business outside the communications industry. The Group’s financial solutions segment also maintained a steady development, and established project developments and production were completed. The Group won the bid for the special project of constructing a new generation decentralized core business system for the Bank of Guizhou, also achieved business breakthrough in Southeast Asia market, and won the bids for special projects of constructing core business systems for one big state-owned bank in Laos and one newly-established bank in Malaysia. The performance of the Group’s electronic power meters and solutions improved, and the Group managed to win more bids in the State Grid’s unified tender during the Year.

The Group commented, “In 2020, the sudden outbreak of COVID-19 disrupted the orderly rhythm of many industries, and it is a heavy blow to traditional industries that rely heavily on offline operations. As the domestic epidemic prevention and control situation gradually improves, the work and production in various industries will resume. Many SMEs are beginning to realize their own shortcomings in daily operations, and hope to recover as soon as possible. The Group believes that the Internet is now penetrating into more offline scenes. After taking the "epidemic test", it will become an opportunity for small, medium, and micro enterprises to reflect, grow, and transform. Digital construction will become a new development direction. Through the application of cutting-edge technology such as cloud computing, big data, and blockchain, the Group will be committed to assisting the digital and intelligent transformation of small, medium, and micro enterprises, and contribute to the Internetization of traditional enterprises.”

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About Hi Sun Technology (China) Limited

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

For investor enquiries

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**For identification purpose only*