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SunCorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

UNAUDITED INTERIM RESULTS

The board of directors (the “**Board**” or “**Directors**”) of SunCorp Technologies Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2021 together with the comparative figures in 2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue	3	101,074	91,611
Cost of sales		(86,861)	(78,894)
Gross profit		14,213	12,717
Other income and losses, net	4	120	18
Distribution and selling expenses		(70)	(189)
Operating expenses		(19,076)	(10,765)
Provision for expected credit losses (“ ECL ”) on trade, other and loan receivables, net		(4,937)	(9,803)
Unrealised gain/(loss) on financial assets at fair value through profit or loss (“ FVTPL ”)		8,986	(4,916)
Realised gain on financial assets on FVTPL		16	2
Loss from operation		(748)	(12,936)
Finance costs		(198)	(68)
Loss before tax		(946)	(13,004)
Income tax credit	5	–	233
Loss for the period attributable to the owners of the Company	6	(946)	(12,771)

		2021	2020
		(Unaudited)	(Unaudited)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		—	(1)
Loss and total comprehensive income			
for the period attributable to the owners of the Company			
		(946)	(12,772)
Loss per share (HK cents)	7		
– Basic		(0.10)	(1.68)
– Diluted		(0.10)	(1.68)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		2,126	5
Right-of-use assets		3,506	–
Deposits		205	205
Deferred tax assets		979	979
		6,816	1,189
Current assets			
Inventories		3,795	–
Trade and other receivables	9	60,027	40,919
Loan receivables	10	175,166	168,595
Financial asset at FVTPL		73,427	61,050
Tax recoverable		323	165
Cash and bank balances			
– Segregated accounts		6,166	5,620
– House accounts		11,399	21,615
		330,303	297,964
Current liabilities			
Trade and other payables	11	72,757	39,862
Lease liabilities		1,247	675
Bank loan		3,251	3,584
		77,255	44,121
Net current assets		253,048	253,843
Total assets less current liabilities		259,864	255,032
Non-current liabilities			
Lease liabilities		2,959	–
Net Assets		256,905	255,032
Capital and reserves			
Share capital	12	5,477	5,477
Reserves		251,428	249,555
Total equity		256,905	255,032

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other capital reserve <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2020 (Audited)	4,564	57,856	14,945	441,253	(142)	23,895	(233,446)	308,925
Loss and total comprehensive expense for the period	-	-	-	-	(1)	-	(12,771)	(12,772)
Recognition of equity-settled share based payments	-	-	-	-	-	2,520	-	2,520
At 30 June 2020 (Unaudited)	<u>4,564</u>	<u>57,856</u>	<u>14,945</u>	<u>441,253</u>	<u>(143)</u>	<u>26,415</u>	<u>(246,217)</u>	<u>298,673</u>
At 1 January 2021 (Audited)	5,477	70,635	14,945	441,253	(140)	18,996	(296,134)	255,032
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(946)	(946)
Recognition of equity-settled share based payments	-	-	-	-	-	2,819	-	2,819
At 30 June 2021 (Unaudited)	<u>5,477</u>	<u>70,635</u>	<u>14,945</u>	<u>441,253</u>	<u>(140)</u>	<u>21,815</u>	<u>(297,080)</u>	<u>256,905</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Net cash used in operating activities	<u>(7,337)</u>	<u>(4,953)</u>
Net cash used in investing activities	<u>(2,314)</u>	<u>–</u>
Net cash used in financing activities	<u>(565)</u>	<u>(1,290)</u>
Net decrease in cash and cash equivalents	(10,216)	(6,243)
Effect of foreign exchange rate changes	–	(1)
Cash and cash equivalents at the beginning of the period	<u>21,615</u>	<u>30,174</u>
Cash and cash equivalents at the end of the period	<u>11,399</u>	<u>23,930</u>
Analysis of cash and cash equivalents		
Cash and bank balances – House accounts	<u>11,399</u>	<u>23,930</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2020.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

The following new and amended standards and interpretations are adopted for the first time for financial year beginning 1 January 2021:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

3. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group’s reportable and operating segments under HKFRS 8 are as follows:

1. Telephones and related equipment – Design and sales of telephones and related products
2. Used computer-related components – Processing and trading of used computer-related components
3. Money lending business – Interest income earned from money lending business
4. Securities brokerage – Provision of securities broking services
5. Cross-border e-commerce – Cross-border B2B e-commerce services

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

Six months ended 30 June 2021 (unaudited)

	Telephones and related equipment <i>HK\$'000</i>	Used computer- related components <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Provision of brokerage, placing and underwriting services <i>HK\$'000</i>	B2B cross- border e-commerce <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>4,620</u>	<u>29,654</u>	<u>10,222</u>	<u>789</u>	<u>55,789</u>	<u>101,074</u>
Segment (loss)/profit	<u>(31)</u>	<u>44</u>	<u>2,934</u>	<u>(7,425)</u>	<u>1,625</u>	<u>(2,853)</u>
Unrealised gain on financial assets at FVTPL						8,986
Realised gain on financial assets at FVTPL						16
Share-based payments						(2,819)
Unallocated expenses						(4,174)
Finance costs						<u>(102)</u>
Loss before tax						<u>(946)</u>

Six months ended 30 June 2020 (unaudited)

	Telephones and related equipment <i>HK\$'000</i>	Used computer- related components <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Provision of brokerage, placing and underwriting services <i>HK\$'000</i>	B2B cross- border e-commerce <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>26,314</u>	<u>17,768</u>	<u>10,298</u>	<u>124</u>	<u>37,107</u>	<u>91,611</u>
Segment (loss)/profit	<u>(270)</u>	<u>(627)</u>	<u>2,901</u>	<u>(1,243)</u>	<u>(305)</u>	456
Unrealised loss on financial assets at FVTPL						(4,916)
Realised gain on financial assets at FVTPL						2
Share-based payments						(2,520)
Unallocated expenses						(5,958)
Finance costs						<u>(68)</u>
Loss before tax						<u>(13,004)</u>

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
Telephones and related equipment	4,776	769
Used computer-related components	6,478	12,532
Money lending	181,220	170,880
Provision of brokerage, placing and underwriting services	13,948	22,043
B2B cross-border e-commerce	44,904	23,440
	<hr/>	<hr/>
Total segment assets	251,326	229,664
Unallocated assets	85,793	69,489
	<hr/>	<hr/>
Consolidated assets	<u>337,119</u>	<u>299,153</u>

Segment liabilities

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
Telephones and related equipment	(33,159)	(28,489)
Used computer-related components	(4,632)	(4,118)
Money lending	(6,500)	(20)
Provision of brokerage, placing and underwriting services	(6,359)	(5,718)
B2B cross-border e-commerce	(23,180)	(77)
	<hr/>	<hr/>
Total segment liabilities	(73,830)	(38,422)
Unallocated liabilities	(6,384)	(5,699)
	<hr/>	<hr/>
Consolidated liabilities	<u>(80,214)</u>	<u>(44,121)</u>

Information about major customers

Revenues from customers of corresponding period contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A <i>(Note)</i>	40,546	18,514
Customer B <i>(Note)</i>	15,243	18,593

Note:

Revenue from B2B cross-border e-commerce business.

4. OTHER INCOME, AND LOSSES, NET

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net foreign exchange losses	(20)	(32)
Sundry income	140	50

5. INCOME TAX CREDIT

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax:		
– Over-provision in prior period	–	(233)

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories recognised as an expense	86,842	78,259
Depreciation of property, plant and equipment	193	13
Depreciation of right-of-use assets	257	–
Equity-settled share-based payments	2,819	2,520
Net foreign exchange losses	20	32
Provision for ECL on trade receivables	1,285	1,069
Provision for ECL on other receivables	–	1,367
Provision for ECL on loan receivables	3,652	7,367
Staff costs including directors' emoluments	2,459	3,489

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(946)</u>	<u>(12,771)</u>
	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>912,936,566</u>	<u>760,786,566</u>

For the purpose of calculation of basic and diluted loss per share for the six months ended 30 June 2020. The share consolidation of the Company being effective on 26 March 2020 was deemed to be effective throughout the six months ended 30 June 2020.

The basic and diluted loss per share are the same for the six months ended 30 June 2021 and 2020, as the effect of the share options was anti-dilutive and was not included in the calculation of diluted loss per share.

8. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2021 and 2020.

9. TRADE AND OTHER RECEIVABLES

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
Trade receivables arising from the ordinary course of business of dealing in securities of transaction:		
– Cash clients	323	2,353
Less: Allowance for ECL	<u>(64)</u>	<u>(64)</u>
	<u>259</u>	<u>2,289</u>
Trade receivables from other ordinary course of business except for business of dealing in securities transactions	52,291	27,288
Less: Allowance for ECL	<u>(2,673)</u>	<u>(1,388)</u>
	<u>49,618</u>	<u>25,900</u>
Deposits in brokerage firms	581	4,432
Deposits, prepayments and other receivables	9,905	8,634
Less: Allowance for ECL	<u>(336)</u>	<u>(336)</u>
	<u>10,150</u>	<u>12,730</u>
Total trade and other receivables	<u><u>60,027</u></u>	<u><u>40,919</u></u>

The Group allows a credit period on sales of goods from 30 to 90 days to its trade customers. The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period:

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
0-30 days	11,672	9,916
31-60 days	27,483	1,661
61-90 days	6,890	9,994
Over 90 days	<u>3,573</u>	<u>4,329</u>
	<u><u>49,618</u></u>	<u><u>25,900</u></u>

The normal settlement term of trade receivables arising from the ordinary course of business of dealing in securities are 2 trading days after trade date.

10. LOAN RECEIVABLES

The ageing analysis of the Group's loan receivables based on remaining contractual maturity dates:

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
Overdue	144,385	–
0-90 days	91,420	157,023
91-180 days	20,687	50,267
181-365 days	23,260	62,239
	<hr/>	<hr/>
	279,752	269,529
Less: Allowance for ECL	(104,586)	(100,934)
	<hr/>	<hr/>
	175,166	168,595
	<hr/> <hr/>	<hr/> <hr/>

The Group's loan receivables arose from the money lending business.

The loan receivables were repaid in accordance with the terms of the loan agreements and all loan receivables are recoverable within 1 year.

The Group's loan receivables contain clauses which reserved the right at sole discretion to demand immediate repayment at any time irrespective of whether the borrowers have complied with the covenants and met the scheduled repayment obligations.

As at 30 June 2021, the Group's loan receivables are denominated in HK\$ and carried at fixed effective interest rate ranging from 8% to 10% (31 December 2020: 8% to 10%) per annum and with the terms of 1 to 2 years (31 December 2020: 1 to 2 years).

11. TRADE AND OTHER PAYABLES

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
Trade payables arising from the ordinary course of business of dealing in securities transactions:		
– Cash clients	7,804	5,616
Trade payables from purchase of goods arising from other ordinary course of business, except for business of securities dealing in securities transactions	52,273	26,545
Other payables and accrued expenses	12,680	7,701
	<hr/>	<hr/>
	72,757	39,862
	<hr/> <hr/>	<hr/> <hr/>

The credit period on purchase of goods ranges from 30 to 60 days. The following is an ageing analysis of trade payables presented based on invoice dates at the end of the reporting period:

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
0-30 days	13,189	814
31-60 days	6,729	–
61-90 days	7,343	146
Over 90 days	25,012	25,585
	<u>52,273</u>	<u>26,545</u>

The settlement term of accounts payable arising from the business of dealing in securities are 2 days after trade date.

12. SHARE CAPITAL

	Number of ordinary shares <i>at HK\$0.0003</i> <i>per ordinary share</i>	<i>at HK\$0.006</i> <i>per ordinary share</i>	Amount <i>HK\$'000</i>
Authorised			
At 1 January 2020 (audited)	2,000,000,000,000	–	600,000
Effects of share consolidation	<u>(2,000,000,000,000)</u>	<u>100,000,000,000</u>	<u>–</u>
At 30 June 2020 (unaudited), 1 January 2021 (audited) and 30 June 2021 (unaudited)	<u>–</u>	<u>100,000,000,000</u>	<u>600,000</u>
Issued and fully paid			
At 1 January 2020 (audited)	15,215,731,320	–	4,564
Effects of share consolidation	<u>(15,215,731,320)</u>	<u>760,786,566</u>	<u>–</u>
At 30 June 2020 (unaudited)	<u>–</u>	<u>760,786,566</u>	<u>4,564</u>
At 1 January 2021 (audited) and 30 June 2021 (unaudited)	<u>–</u>	<u>912,936,566</u>	<u>5,477</u>

DIRECTOR'S STATEMENT

On behalf of the board of directors (the “**Board**” or the “**Directors**”) of SunCorp Technologies Limited (the “**Company**”), I present to you the unaudited interim results of the Group for the six months ended 30 June 2021.

BUSINESS REVIEW

For the six months ended 30 June 2021, the Group's revenue amounted to approximately HK\$101.1 million, representing an increase of approximately 10.3% as compared with the revenue of approximately HK\$91.6 million for the corresponding period in 2020. In relation to the Group's total revenue, approximately 4.6% resulted from sales of telephone and related products, approximately 29.3% resulted from the processing and trading of used computer-related components, approximately 10.1% resulted from interest income earned from money lending business, approximately 0.8% contributed from securities brokerage, placing and underwriting business and approximately 55.2% contributed by B2B cross-border e-commerce and payment business.

Gross profit from operation for the period under review was approximately HK\$14.2 million, representing an increase of approximately 11.8% as compared with the gross profit of approximately HK\$12.8 million for the corresponding period in 2020. The Group's unaudited consolidated loss for the period under review was approximately HK\$0.9 million. The decrease in consolidated loss for the period under review as compared to approximately HK\$12.8 million for the corresponding period in 2020 was mainly due to the unrealised gain on financial assets at FVTPL of approximately HK\$9.0 million recognised for the current period.

As at 30 June 2021, the gross amount of loan portfolio held by the Group was approximately HK\$279.8 million and interest income earned from money lending business was approximately HK\$10.2 million for the six months ended 30 June 2021.

OUTLOOK AND PROSPECT

In view of the highly unpredictable business environment, we are evaluating different business segments within the Group and reposition our strategy and business operation in more optimistic business segments. The Group has been engaging in the financial services business since 2016 and has been actively identifying business opportunities to expand its financial services business. In view of current market sentiment and the upcoming trend towards investments in digital assets, it is expected that operating a virtual asset trading platform enables the Group to grasp this huge business opportunity and strengthen the income stream of the Group's finance services business. The Company believes that being one of the pioneers to operate a trading platform licensed by the Securities and Futures Commission to deal in virtual assets will enable the Group to provide top-class and comprehensive financial services to our customers and our virtual asset trading platform could be differentiated from the market competitors and tailored to the needs of digital asset issuers and other investors in such fast-growing industry. It is expected that the Group will deploy more resources in developing the virtual asset trading platform in the near future.

The Group will continue to seek potential investment and business opportunities for broadening its income stream and further development of the existing business segments.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to extend our sincere thanks to our customers, suppliers and staff for their continued support and contribution to the Group during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2021, the Group recorded a revenue of approximately HK\$101.1 million which represented an increase of approximately 10.3% as compared to the corresponding figure for the six months ended 30 June 2020.

The gross profit for the period under review was approximately HK\$14.2 million as compared to approximately HK\$12.8 million for the previous period.

During the six months ended 30 June 2021, the cross-border e-commerce business continued to contribute a significant percentage to our revenue. We continue to be optimistic at this business segment and will capture more market opportunities as and when appropriate. On the other hand, the sales and marketing of electronic equipment and related products was still an important source of income of the Group. In addition, the financial arm of the Group comprising of securities brokerage, placing and underwriting business and money lending business also contributed the revenue to the Group during the period. The revenue, the gross profit and net loss for each business segment for the period ended 30 June 2021 are set out as below:

	Telephones and Related Equipment <i>HK\$'000</i>	Used computer- Related Components <i>HK\$'000</i>	Provision of Securities brokerage, placing and underwriting services <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	B2B cross-border e-commerce <i>HK\$'000</i>
Revenue	4,620	29,654	789	10,222	55,789
Gross profit	120	1,002	770	10,222	2,099
Net profit/(loss)	(31)	44	(7,425)	2,934	1,625

LIQUIDITY AND FINANCIAL RESOURCES

As compared with 31 December 2020, the decrease in current ratio from 6.75 to 4.28 was mainly due to the increase in the trade and other payables as at 30 June 2021.

As at 30 June 2021, the Group had cash on hand of approximately HK\$11.4 million, current assets of approximately HK\$330.3 million, total assets of approximately HK\$337.1 million and shareholders' equity of approximately HK\$256.9 million.

GEARING RATIO

As at 30 June 2021, the Group generally financed its operations through internally-generated cash flows, shareholders equity and external bank loan and borrowings. The gearing ratio (defined as the total borrowings divided by total equity) was approximately 0.013 as at 30 June 2021 (31 December 2020: approximately 0.014).

CAPITAL STRUCTURE

As at 30 June 2021, the authorised share capital of the Company was HK\$600,000,000, which divided into 100,000,000,000 shares of HK\$0.006 each. The authorised share capital had no change during the period.

EXCHANGE RATE

Most of sales in the current period were denominated in United States, Renminbi and Hong Kong dollars, whilst the majority of the Group's expenses were denominated in United States dollars, Renminbi and Hong Kong dollars. Although the Group currently does not maintain any hedging policy to hedge against foreign exchange exposure that may arise from the above transactions, the management team continuously assess the foreign currency exposure, with an aim to minimise the impact of foreign exchange fluctuation on the Group's business operations.

SIGNIFICANT INVESTMENTS

As at 30 June 2021, total market value for financial assets at fair value through profit or loss of the Group was approximately HK\$73.4 million (31 December 2020: approximately HK\$61.1 million). The Board considers that the investments with market value accounting for more than 5% of the Group's total assets as at 30 June 2021 as significant investments. As at 30 June 2021, the financial assets at fair value through profit or loss of the Group were mainly comprised of investment in WLS Holdings Limited (Stock code: 8021) of approximately HK\$16.9 million.

During the six months ended 30 June 2021, the Group recognised realised gain on financial assets at fair value through profit & loss of approximately HK\$16,000 (six months ended 30 June 2020: realised gain of approximately HK\$2,000). During the six months ended 30 June 2021, the Group recognised unrealised gain on financial assets at fair value through profit or loss of approximately HK\$9.0 million (six months ended 30 June 2020: unrealised loss of approximately HK\$4.9 million).

SIGNIFICANT ACQUISITIONS OR DISPOSALS

During the six months ended 30 June 2021, there were no material acquisitions or disposals of subsidiaries and associated companies.

EVENTS AFTER THE REPORTING PERIOD

On 23 April 2021, the Company entered into a placing agreement with an indirect wholly-owned subsidiary of the Company, as the placing agent, pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 580,000,000 placing shares under specific mandate at the placing price of HK\$0.1 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties of the Group. The placing was completed on 2 August 2021. A total of 580,000,000 placing shares have been successfully placed by the placing agent to not less than six placees at placing price of HK\$0.1 per placing share pursuant to the terms and conditions of the placing agreement.

Please refer to the announcements of the Company dated 21 May 2021 and 2 August 2021 and the circular of the Company dated 28 June 2021 for further details.

EMPLOYEES

The Group's emolument policies are formulated on the performance of employees with reference to the market condition. The Board may exercise its discretion to grant share options to the executive directors and employees as an incentive to their contribution to the Group. During the period under review, 63,040,000 share options had been granted by the Group to the directors and employees in accordance with the share option scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 June 2021, the interests and short positions of the Directors, chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO") (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules were as follows:

Long Position

Ordinary shares of HK\$0.006 each of the Company

Name of directors	No. of shares held	No. of underlying shares held in options granted under the Share Option Scheme	Percentage of the issued share capital of the Company (Note 1)
Zhu Yuqi	–	7,607,000	0.83
Chow Hei Yin Terry	–	6,304,000	0.69
Man Yuan	–	7,607,000	0.83
Ma Kin Ling	–	7,607,000	0.83
Huang Zhi	–	6,304,000	0.69

Note:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 912,936,566 as at 30 June 2021.

SHARE OPTIONS

On 4 May 2012, a share option scheme (the “**Share Option Scheme**”) was adopted by shareholders at the annual general meeting, under which the Directors may, at their discretion, grant share options to eligible persons including Directors and employees and consultants to subscribe share in the Company. The following table discloses the details of the Company’s share options under the Share Option Scheme and the movements during the six months ended 30 June 2021:

Category	Date of grant	Exercise price per share (HK\$)	Exercise period	Notes	Outstanding at 1.1.2021	Grant during the period	Exercise during the period	Cancelled/ lapsed during the period	Outstanding at 30.6.2021
Director									
Zhu Yuqi	8 May 2020	0.0780	8 May 2020 to 7 May 2022		7,607,000	-	-	-	7,607,000
Man Yuan	8 May 2020	0.0780	8 May 2020 to 7 May 2022		7,607,000	-	-	-	7,607,000
Ma Kin Ling	8 May 2020	0.0780	8 May 2020 to 7 May 2022		7,607,000	-	-	-	7,607,000
Chow Hei Yin Terry	8 April 2021	0.1066	8 April 2021 to 7 April 2023	(a)	-	6,304,000	-	-	6,304,000
Huang Zhi	8 April 2021	0.1066	8 April 2021 to 7 April 2023	(a)	-	6,304,000	-	-	6,304,000
Employee	8 May 2020	0.0780	8 May 2020 to 7 May 2022		45,642,000	-	-	-	45,642,000
	8 April 2021	0.1066	8 April 2021 to 7 April 2023	(a)	-	50,432,000	-	-	50,432,000
Consultants	17 April 2019	0.4720	17 April 2019 to 16 April 2021		76,075,000	-	-	(76,075,000)	-
					<u>144,538,000</u>	<u>63,040,000</u>	<u>-</u>	<u>(76,075,000)</u>	<u>131,503,000</u>
Exercisable at the end of the year									<u>131,503,000</u>
Weighted average exercise price					<u>HK\$0.2854</u>	<u>HK\$0.1066</u>			<u>HK\$0.0917</u>

- (a) The options granted on 8 April 2021 were immediately vested at the date of grant. The closing price of the share of the Company immediately before the grant date of the share options on 8 April 2021 was HK\$0.103 per share.

Saved as disclosed above, at no time during the six months ended 30 June 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2021, save as disclosed below, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Name of shareholder with over 5% shareholding	Capacity	Nature of Interest	Long or short position	Number of shares	Percentage of the issued share capital of the Company (Note 1)
Cloud Dynasty (Macau) Limited (Note 2)	Controlled Company's Interest	Corporate Interest	Long Position	50,000,000	5.48%
Chan Sin Ying (Note 2)	Beneficial Owner	Beneficial Interest	Long Position	50,000,000	5.48%

Notes:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 912,936,566 as at 30 June 2021.
2. Cloud Dynasty (Macau) Limited ("Cloud Dynasty") is directly interested in 50,000,000 shares in the Company. Cloud Dynasty is wholly owned by Chan Sin Ying. Chan Sin Ying is therefore deemed to be interested in 50,000,000 shares in the Company.

AUDIT COMMITTEE

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the audit of the Company. The Audit Committee was established in March 2000 with defined written terms of reference which describe the authorities and duties of the Audit Committee. The Audit Committee currently consists of three members, all of whom are independent non-executive Directors ("INEDs") namely Mr. Man Yuan, Mr. Ma Kin Ling and Ms. Huang Zhi. The unaudited financial statements of the Group for the six months ended 30 June 2021 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

The Company is committed to high standards of good corporate governance practices and procedures. The corporate governance principles of the Company emphasise a quality Board, sound internal control, transparency, independence and accountability to all shareholders.

Throughout the period, the Group had applied the principles as set out in the Code of Corporate Governance Practices (the “CG Code”) in Appendix 14 of the Listing Rules, except for the deviations as follows:

Chairman and Chief Executive Officer

Pursuant to Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, in view of the current business nature of the Company, the Board opines that it is not necessary to appoint a chairman or chief executive officer and daily operation of the Group is delegated to different executive Directors, department heads and various committees. In this circumstances, the Board considers that the present practice has already addressed the concerns of the CG Code in this respect.

Non-Executive Directors

Pursuant to Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term subject to re-election. None of the existing non-executive Directors and INEDs are engaged on specific term, and it constituted a deviation from Code Provision A.4.1 of the CG Code. However all Directors, including non-executive Directors and INEDs are subject to retirement by rotation at each annual general meeting at least once every three years under the Company’s Bye-laws. In the circumstances, the Board considers that the present practice has already addressed the concerns of the CG Code in this respect.

Attendance of Annual General Meeting

Pursuant to Code Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged business commitments, Mr. Man Yuan and Ms. Huang Zhi, being the independent non-executive directors of the Company, were not present at the annual general meeting of the Company held on 4 June 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transaction. Based on specific enquiry of all the Directors, the Directors have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2021, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities.

By Order of the Board
SunCorp Technologies Limited
Zhu Yuqi
Executive Director

Hong Kong, 27 August 2021

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zhu Yuqi and Mr. Chow Hei Yin Terry and three independent non-executive Directors, namely, Mr. Man Yuan, Mr. Ma Kin Ling and Ms. Huang Zhi.