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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 2022

#### 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 2022 together with the comparative figures in 2021, as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	<i>Notes</i>	<b>2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2021 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>64,907</b>	101,074
Cost of sales		<b>(59,095)</b>	(86,861)
<b>Gross profit</b>		<b>5,812</b>	14,213
Other income and losses, net	4	–	120
Distribution and selling expenses		<b>(4,603)</b>	(70)
Operating expenses		<b>(18,881)</b>	(19,076)
Provision for expected credit losses (“ <b>ECL</b> ”) on trade, other and loan receivables, net		–	(4,937)
Unrealised (loss)/gain on financial assets at fair value through profit or loss (“ <b>FVTPL</b> ”)		<b>(31,113)</b>	8,986
Realised gain on financial assets on FVTPL		<b>20</b>	16
<b>Loss from operation</b>		<b>(47,161)</b>	(748)
Finance costs		<b>(139)</b>	(198)
<b>Loss before tax</b>		<b>(47,300)</b>	(946)
Income tax credit	5	–	–
<b>Loss for the period</b>	6	<b>(47,300)</b>	(946)

	2022 <b>(Unaudited)</b> <i>HK\$'000</i>	2021 (Unaudited) <i>HK\$'000</i>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	—	—
<b>Loss and total comprehensive income for the period</b>	<b>(47,300)</b>	<b>(946)</b>
Loss for the period attributable to:		
Owner of the Company	<b>(44,240)</b>	(946)
Non-controlling interests	<b>(3,060)</b>	—
	<b>(47,300)</b>	<b>(946)</b>
Loss and total comprehensive income for the period attributable to:		
Owner of the Company	<b>(44,240)</b>	(946)
Non-controlling interests	<b>(3,060)</b>	—
	<b>(47,300)</b>	<b>(946)</b>
Loss per share attributable to owners of the Company (HK cents)		
– Basic	<b>(0.03)</b>	(0.10)
– Diluted	N/A	N/A

Notes

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		–	–
Right-of-use assets		282	395
Deposits		205	205
Deferred tax assets		23	23
		510	623
<b>Current assets</b>			
Inventories		3,089	–
Trade and other receivables	9	38,216	61,841
Loan receivables	10	126,631	119,013
Financial asset at FVTPL		62,188	87,284
Tax recoverable		123	123
Cash and bank balances			
– Segregated accounts		17,233	7,223
– House accounts		37,617	52,875
		285,097	328,359
<b>Current liabilities</b>			
Trade and other payables	11	67,019	65,703
Lease liabilities		1,337	1,304
Bank loan		2,547	2,905
		70,903	69,912
<b>Net current assets</b>		214,194	258,447
<b>Total assets less current liabilities</b>		214,704	259,070
<b>Non-current liabilities</b>			
Lease liabilities		1,440	2,062
<b>Net Assets</b>		213,264	257,008
<b>Equity</b>			
Capital and reserves attributable to owners of the Company			
Share capital	12	9,231	8,958
Reserves		207,181	248,138
		216,412	257,096
Non-controlling interest		(3,148)	(88)
<b>Total equity</b>		213,264	257,008

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the six months ended 30 June 2022*

	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>	Non- controlling interest <i>HK\$'000</i>	Total <i>HK\$'000</i>
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>-</u>	<u>256,905</u>
At 1 January 2022 (Audited)	8,958	125,151	14,945	441,253	(140)	5,078	(338,149)	(88)	257,008
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(44,240)	(3,060)	(47,300)
Issue of share upon exercise of share option	273	4,759	-	-	-	(1,476)	-	-	3,556
Share option lapsed	-	-	-	-	-	(783)	783	-	-
At 30 June 2022 (Unaudited)	<u>9,231</u>	<u>129,910</u>	<u>14,945</u>	<u>441,253</u>	<u>(140)</u>	<u>2,819</u>	<u>(381,606)</u>	<u>(3,148)</u>	<u>213,264</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	<b>2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2021 (Unaudited) HK\$'000
Net cash used in operating activities	<u>(17,867)</u>	<u>(7,337)</u>
Net cash used in investing activities	<u>–</u>	<u>(2,314)</u>
Net cash used in financing activities	<u>2,609</u>	<u>(565)</u>
Net decrease in cash and cash equivalents	<b>(15,258)</b>	(10,216)
Effect of foreign exchange rate changes	–	–
Cash and cash equivalents at the beginning of the period	<u>52,875</u>	<u>21,615</u>
Cash and cash equivalents at the end of the period	<u><b>37,617</b></u>	<u>11,399</u>
Analysis of cash and cash equivalents		
Cash and bank balances – House accounts	<u><b>37,617</b></u>	<u>11,399</u>

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

### 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 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2021.

### 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 2022. 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 2022:

Amendments to HKFRS 3	Reference to Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before intended use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract

### 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 2022 (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	–	31,386	4,928	1,231	27,362	64,907
Segment (loss)/profit	–	957	1,757	(548)	(2,456)	(290)
Unrealised loss on financial assets at FVTPL						(31,113)
Realised gain on financial assets at FVTPL						20
Unallocated expenses						(15,778)
Finance costs						(139)
Loss before tax						(47,300)

### 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	4,620	29,654	10,222	789	55,789	101,074
Segment (loss)/profit	(31)	44	2,934	(7,425)	1,625	(2,853)
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						(102)
Loss before tax						(946)

## 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 2022 (Unaudited) <i>HK\$'000</i>	At 31 December 2021 (Audited) <i>HK\$'000</i>
Telephones and related equipment	476	244
Used computer-related components	13,119	12,889
Money lending	131,179	120,080
Provision of brokerage, placing and underwriting services	34,268	22,572
B2B cross-border e-commerce	17,454	30,489
	<hr/>	<hr/>
Total segment assets	196,496	186,274
Unallocated assets	89,111	142,708
	<hr/>	<hr/>
Consolidated assets	<u>285,607</u>	<u>328,982</u>

### Segment liabilities

	At 30 June 2022 (Unaudited) <i>HK\$'000</i>	At 31 December 2021 (Audited) <i>HK\$'000</i>
Telephones and related equipment	(29,216)	(28,983)
Used computer-related components	(3,650)	(4,494)
Money lending	(10,503)	(9,482)
Provision of brokerage, placing and underwriting services	(17,380)	(11,945)
B2B cross-border e-commerce	(2,813)	(13,582)
	<hr/>	<hr/>
Total segment liabilities	(63,562)	(68,486)
Unallocated liabilities	(8,781)	(3,448)
	<hr/>	<hr/>
Consolidated liabilities	<u>(72,343)</u>	<u>(71,974)</u>



### ***Information about major customers***

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Customer A <i>(Note)</i>	<b>18,385</b>	40,546
Customer B <i>(Note)</i>	<b>8,977</b>	15,243
	<b><u>          </u></b>	<b><u>          </u></b>

*Note:*

Revenue from B2B cross-border e-commerce business.

#### **4. OTHER INCOME, AND LOSSES, NET**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Net foreign exchange losses	–	(20)
Sundry income	–	140
	<b><u>          </u></b>	<b><u>          </u></b>
	<b><u>          </u></b>	<b><u>          </u></b>

#### **5. INCOME TAX CREDIT**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Current tax – Hong Kong Profits Tax:		
– Over-provision in prior period	–	–
	<b><u>          </u></b>	<b><u>          </u></b>

## 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories recognised as an expense	59,095	86,842
Depreciation of property, plant and equipment	–	193
Depreciation of right-of-use assets	113	257
Equity-settled share-based payments	–	2,819
Net foreign exchange losses	4	20
Provision for ECL on trade receivables	–	1,285
Provision for ECL on other receivables	–	–
Provision for ECL on loan receivables	–	3,652
Staff costs including directors' emoluments	2,292	2,459
	<u>59,095</u>	<u>97,168</u>

## 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	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(44,240)	(946)
	<u>(44,240)</u>	<u>(946)</u>

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	1,509,312,257	912,936,566
Effect of share option	45,167,889	–
	<u>1,554,480,145</u>	<u>912,936,566</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	1,554,480,145	912,936,566

The basic and diluted loss per share are the same for the six months ended 30 June 2022 and 2021, 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 2022 and 2021.

## 9. TRADE AND OTHER RECEIVABLES

	At 30 June 2022 (Unaudited) <i>HK\$'000</i>	At 31 December 2021 (Audited) <i>HK\$'000</i>
Trade receivables arising from the ordinary course of business of dealing in securities transactions:		
– Cash clients	447	4,956
Less: Allowance for ECL	<u>(64)</u>	<u>(64)</u>
	<u>383</u>	<u>4,892</u>
Trade receivables from other ordinary course of business, other than business of dealing in securities transactions	20,684	35,834
Less: Allowance for ECL	<u>(1,728)</u>	<u>(1,728)</u>
	<u>18,956</u>	<u>34,106</u>
Deposits in brokerage firms	4,413	4,430
Deposits, prepayments and other receivables	14,668	18,617
Less: Allowance for ECL	<u>(204)</u>	<u>(204)</u>
	<u>18,877</u>	<u>22,843</u>
Total trade and other receivables	<u><u>38,216</u></u>	<u><u>61,841</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 2022 (Unaudited) <i>HK\$'000</i>	At 31 December 2021 (Audited) <i>HK\$'000</i>
0-30 days	11,224	10,352
31-60 days	–	7,757
61-90 days	3,874	7,192
Over 90 days	<u>3,858</u>	<u>8,805</u>
	<u><u>18,956</u></u>	<u><u>34,106</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 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
0 – 90 days	222,945	170,978
91 – 180 days	40,221	39,640
181 – 365 days	32,477	77,407
	<hr/>	<hr/>
	295,643	288,025
Less: Allowance for ECL	(169,012)	(169,012)
	<hr/>	<hr/>
	<b>126,631</b>	<b>119,013</b>
	<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 2022, the Group's loan receivables are denominated in HK\$ and carried at fixed effective interest rate ranging from 8% to 10% (31 December 2021: 8% to 10%) per annum and with the terms of 1 to 2 years (31 December 2021: 1 to 2 years).

## 11. TRADE AND OTHER PAYABLES

	At 30 June 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
Trade payables arising from the ordinary course of business of dealing in securities transactions: – Cash clients	17,233	11,823
Trade payables from purchase of goods arising from other ordinary course of business, other than business of dealing in securities transactions	29,503	40,704
Other payables and accrued expenses	20,083	12,976
Provision for reinstatement cost	200	200
	<hr/>	<hr/>
	<b>67,019</b>	<b>65,703</b>
	<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:

	<b>At 30 June 2022 (Unaudited) HK\$'000</b>	At 31 December 2021 (Audited) HK\$'000
0-30 days	3,152	8,390
31-60 days	–	4,112
61-90 days	–	702
Over 90 days	<u>26,351</u>	<u>27,500</u>
	<u><b>29,503</b></u>	<u><b>40,704</b></u>

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

## 12. SHARE CAPITAL

	<b>Number of ordinary shares at HK\$0.006 per ordinary share</b>	<b>Amount HK\$'000</b>
<b>Authorised</b>		
<b>At 1 January 2021 (audited), 30 June 2021 (unaudited), 1 January 2022 (audited) and 30 June 2022 (unaudited)</b>	<u><b>100,000,000,000</b></u>	<u><b>600,000</b></u>
<b>Issue and fully paid</b>		
At 1 January 2022 (audited)	1,492,936,566	8,957
<b>Issue of share upon exercise of share option</b>	<u>45,600,000</u>	<u>274</u>
<b>At 30 June 2022 (unaudited)</b>	<u><b>1,538,536,566</b></u>	<u><b>9,231</b></u>
<b>At 1 January 2021 (audited) and 30 June 2021 (unaudited)</b>	<u><b>912,936,566</b></u>	<u><b>5,477</b></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 2022.

## **BUSINESS REVIEW**

For the six months ended 30 June 2022, the Group's revenue amounted to approximately HK\$64.9 million, representing a decrease of approximately 35.8% as compared with the revenue of approximately HK\$101.1 million for the corresponding period in 2021. In relation to the Group's total revenue, no revenue generated from sales of telephone and related products, approximately 48.3% resulted from the processing and trading of used computer-related components, approximately 7.6% resulted from interest income earned from money lending business, approximately 1.9% contributed from securities brokerage, placing and underwriting business and approximately 42.2% contributed by B2B cross-border e-commerce and payment business.

Gross profit from operation for the period under review was approximately HK\$5.8 million, representing a decrease of approximately 59.2% as compared with the gross profit of approximately of HK\$14.2 million for the corresponding period in 2021. The Group's unaudited consolidated loss for the period under review was approximately HK\$47.3 million, which was mainly due to the unrealised loss on financial assets at FVTPL of approximately HK\$31.1 million for the six months ended 30 June 2022.

As at 30 June 2022, the gross amount of loan portfolio held by the Group was approximately HK\$295 million and interest income earned from money lending business was approximately HK\$4 million for the six months ended 30 June 2022.

## **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. During the period under review, the Group has obtained the licenses of Types 4 and 9 issued by the Securities and Futures Commission for operating a virtual asset trading platform. It is expected that the Group will deploy more resources in developing the business of the asset management in the 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 2022, the Group recorded a revenue of approximately HK\$64.9 million which represented a decrease of approximately 35.8% as compared to the corresponding figure for the six months ended 30 June 2021.

The gross profit for the period under review was approximately HK\$5.8 million as compared to approximately HK\$14.2 million for the previous period.

During the six months ended 30 June 2022, 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 and net loss for each business segment for the period ended 30 June 2022 are set out as below:

	<b>Telephones and Related Equipment <i>HK\$'000</i></b>	<b>Used computer- Related Components <i>HK\$'000</i></b>	<b>Provision of Securities brokerage, placing and underwriting services <i>HK\$'000</i></b>	<b>Money lending <i>HK\$'000</i></b>	<b>B2B cross-border e-commerce <i>HK\$'000</i></b>
Revenue	–	31,386	1,231	4,928	27,362
Net profit/(loss)	–	957	(548)	1,757	(2,456)

## **LIQUIDITY AND FINANCIAL RESOURCES**

As compared with 31 December 2021, the decrease in current ratio from 4.70 to 4.02 was mainly due to increase/decrease in the trade & other payables as at 30 June 2022.

As at 30 June 2022, the Group had cash on hand of approximately HK\$37.6 million, current assets of approximately HK\$285.1 million, total assets of approximately HK\$285.6 million and shareholders' equity of approximately HK\$213.3 million.

## **GEARING RATIO**

As at 30 June 2022, the Group generally financed its operations through internally-generated cash flows, shareholders equity and external bank loan and borrowings. The gearing ratio was approximately 1.19% as at 30 June 2022 (31 December 2021: approximately 1.13%).

## **CAPITAL STRUCTURE**

As at 30 June 2022, the authorized 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 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 minimize the impact of foreign exchange fluctuation on the Group's business operations.

## **RAISING OF FUNDS AND USE OF PROCEEDS**

On 23 April 2021, the Company entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, an indirectly wholly-owned subsidiary of the Company, on a best effort basis, up to 580,000,000 placing shares at the placing price of HK\$0.10 per placing share to not less than six places who and whose beneficial owners are independent third parties (the "**Placing**"). The placing shares were allotted and issued pursuant to the specific mandate.

The Placing was completed on 2 August 2021. The net proceeds (after deducting the placing commission and other related expenses) from the placing amounted to approximately HK\$56.2 million. The net proceeds were intended to be used for the further development and operations of the virtual asset trading platform of the Group.



As at 30 June 2022, the net proceeds had been utilised as follows:

Use of net proceeds	Allocation <i>HK\$ million</i>	Unutilised	Utilised	Unutilised	Expected timeline for the application of the unutilised proceeds
		amount as at 31 December 2021 <i>HK\$ million</i>	amount for the six months ended 30 June 2022 <i>HK\$ million</i>	amount as at 30 June 2022 <i>HK\$ million</i>	
Web application development of the virtual asset trading platform	18.0	16.4	4.9	11.5	By 31 December 2024
Acquisition of equipment and the related installation and technical support services fees	11.0	7	–	7	By 31 December 2024
Cloud infrastructure and professional network management services fee	8.1	4.1	4.1	–	By 31 December 2024
Staff costs and consultancy fees for operational and technical staff and external consultants	8.4	7.6	0.7	6.9	By 31 December 2024
Digital and data securities services fee	2.4	2.4	1.2	1.2	By 31 December 2024
Working capital in operating the virtual asset trading platform, including but not limited to purchasing digital assets inventories and purchasing insurance	8.3	8.1	0.2	7.9	By 31 December 2024
Total	<u>56.2</u>	<u>45.6</u>	<u>11.1</u>	<u>34.5</u>	

## SIGNIFICANT INVESTMENTS

As at 30 June 2022, total market value for Financial assets at fair value through profit or loss of the Group was approximately HK\$62.2 million (31 December 2021: approximately HK\$87.3 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 2022 as significant investments.

During the six months ended 30 June 2022, the Group recognized realized gain on financial assets at fair value through profit & loss of approximately HK\$20,000 (six months ended 30 June 2021: realized gain of approximately HK\$16,000). During the six months ended 30 June 2022, the Group recognized unrealised loss on financial assets at fair value through profit or loss of approximately HK\$31.1 million (six months ended 30 June 2021: unrealized gain of approximately HK\$9.0 million).

## SIGNIFICANT ACQUISITIONS OR DISPOSALS

During the six months ended 30 June 2022, there were no material acquisitions or disposals of subsidiaries and associated companies.

## 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.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 June 2022, 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)
Chow Hei Yin Terry	–	6,304,000	0.41
Huang Zhi	–	6,304,000	0.41

*Note:*

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 1,538,536,566 as at 30 June 2022.

## 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 2022:

Category	Date of grant	Exercise price per share (HK\$)	Exercise period	Outstanding at 1.1.2022	Grant during the period	Exercise during the period	Cancelled/ lapsed during the period	Outstanding at 30.6.2022
Director								
Zhu Yuqi	8 May 2020	0.078	8 May 2020 to 7 May 2022	7,607,000	–	–	(7,607,000)	–
Man Yuan	8 May 2020	0.078	8 May 2020 to 7 May 2022	7,607,000	–	–	(7,607,000)	–
Ma Kin Ling	8 May 2020	0.078	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	6,304,000	–	–	–	6,304,000
Huang Zhi	8 April 2021	0.1066	8 April 2021 to 7 April 2023	6,304,000	–	–	–	6,304,000
Employee								
	8 May 2020	0.078	8 May 2020 to 7 May 2022	45,642,000	–	(45,600,000)	(42,000)	–
	8 April 2021	0.1066	8 April 2021 to 7 April 2023	50,432,000	–	–	–	50,432,000
				<u>131,503,000</u>	<u>–</u>	<u>(45,600,000)</u>	<u>(22,863,000)</u>	<u>63,040,000</u>
Exercisable at the end of the year								<u>63,040,000</u>
Weighted average exercise price				<u>HK\$0.0917</u>				<u>HK\$0.1066</u>

Saved as disclosed above, at no time during the six months ended 30 June 2022 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.

The options granted on 8 April 2021 were immediately vested at the date of grant. The weighted average closing price of the shares immediately before the date on which the options exercised was HK\$0.345.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES**

As at 30 June 2022, 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.

## **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 2022 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 emphasize 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 C.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 B.2.2 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 B.2.2 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 C.1.6 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 24 June 2022.

## **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 2022.

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

During the six months ended 30 June 2022, 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, 25 August 2022

*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.*