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SunCorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the annual report for the year ended 31 December 2021 of SunCorp Technologies Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 28 April 2022 (the “**2021 Annual Report**”). Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the 2021 Annual Report.

This announcement is made by the Company to provide supplemental information to the 2021 Annual Report and an update to Money Lending Business and Significant Investments.

MONEY LENDING BUSINESS

The Group normally reaches out the target customers through the Group’s reputation in the financial services industry, the existing business network and the finance magazine. The Group targets both retail and corporate customers.

When determining loan tenure, the Group will normally take into factors including, but not limited to personal financial background and repayment ability of the borrowers, internal credit checking results, the borrowers’ repayment record in other financial institutions and, where applicable, value of the to-be-pledged collateral, the availability of any guarantee. The Group will base on the information gathered from the borrowers to determine the loan tenure.

When determining the interest rate of the loan, the Group will take reference to the past record of interest rate used by the Group and market rate for the interest rate.

In addition, the Group funds the money lending transaction through our internal resources. As at 31 December 2021, the loan receivables of HK\$119 million will mature on or before 31 December 2022 and loan receivables were neither secured by collaterals or any guarantee as at 31 December 2021. As at 31 December 2021, the maturity profile of the loan receivables of HK\$119 million were within twelve months from the end of the reporting period.

The Company has complied with requirements set out in chapter 14 and/or 14A of the Listing Rules when it granted the loans to each of the borrower(s), whose loan(s) was still outstanding as at 31 December 2021.

The Company has not had an agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrower(s) whose loan(s) was still outstanding as at 31 December 2021.

The impairment losses on loan receivables were approximately HK\$68.1 million and HK\$87.8 million for the years ended 31 December 2021 and 2020. It was mainly attributed to the impairment of approximately HK\$62.4 million and HK\$87.0 million from Zhongrong International Finance Company Limited (“**Zhongrong**”), which was in liquidation in 2020, for the years ended 31 December 2021 and 2020 respectively. As Zhongrong was in liquidation in 2020, the Company submitted the proof of debt to the Official Receiver’s office and the provisional liquidator in accordance with Companies (Winding-up) Rules during 2021. Zhongrong appointed joint and several provisional liquidators for its winding up process. Thus, a fully impairment on Zhongrong’s loan was made for the year ended 31 December 2021. The Company was of the view that the impairment loss recognized on the Zhongrong’s loan was fair and reasonable. The following table sets forth detail of the gross carrying amount of loan and interest receivables and impairment losses recognised for the year.

Identity	Impairment losses recognised for the year <i>HK\$’000</i>	The date when the loan was granted	Tenure of the loan	Interest rate (p.a.)	Repayment schedule*	Gross carrying amount of loan and interest receivables as at 31 December 2021 <i>HK\$’000</i>
Zhongrong	62,374	3/2/2016	Mature in 2/2/2021	10%	Annually	149,426
Customer A	2,083	29/12/2017	Mature in 28/12/2022	10%	Bi-annually	13,511
Customer B	1,629	8/5/2018	Mature in 7/5/2023	10%	Bi-annually	19,465
Customer C	972	7/2/2018	Mature in 6/2/2023	10%	Bi-annually	6,949
Customer D	422	4/1/2019	Mature in 3/1/2023	10%	Bi-annually	5,198
Customer E	378	11/1/2019	Mature in 10/1/2023	10%	Bi-annually	4,541
Customer F	134	30/7/2019	Mature in 29/7/2023	10%	Bi-annually	3,728
Customer G	86	3/5/2019	Mature in 2/5/2023	10%	Bi-annually	2,534
Customer H		1/6/2017	Mature in 30/5/2023	8%	Bi-annually	6,212
Customer I		23/6/2017	Mature in 22/6/2023	10%	Bi-annually	3,812
Customer J		30/8/2017	Mature in 29/8/2022	10%	Bi-annually	5,947
Customer K		21/11/2017	Mature in 20/11/2023	10%	Bi-annually	8,211
Customer L		4/5/2018	Mature in 3/5/2023	10%	Bi-annually	512
Customer M		6/2/2018	Mature in 5/2/2023	10%	Bi-annually	2,022
Customer N		22/2/2019	Mature in 21/2/2023	10%	Bi-annually	1,528
Customer O		23/7/2019	Mature in 22/7/2023	10%	Bi-annually	4,026
Customer P		23/7/2019	Mature in 22/7/2023	10%	Bi-annually	3,134
Customer Q		31/7/2019	Mature in 30/7/2023	10%	Bi-annually	3,127
Customer R		8/8/2019	Mature in 7/8/2023	10%	Bi-annually	3,958
Customer S		10/2/2021	Mature in 9/2/2023	10%	Bi-annually	5,010
Customer T		11/2/2021	Mature in 10/2/2023	10%	Bi-annually	5,008
Customer U		16/2/2021	Mature in 15/2/2023	10%	Bi-annually	5,002
Customer V		7/7/2021	Mature in 6/7/2023	10%	Bi-annually	8,390
Customer W		8/7/2021	Mature in 7/7/2023	10%	Bi-annually	8,388
Customer X		9/7/2021	Mature in 8/7/2023	10%	Bi-annually	8,386
	<u>68,078</u>					<u>288,025</u>

* *Repayment schedule is for interest. Principal will be repaid on maturity*

SIGNIFICANT INVESTMENTS

Company name	As at 31 December 2021					For the year ended 31 December 2021		
	Stock code	Number of Shares held	Proportion to the total issued share capital for the stocks	Market value (HK\$'000)	Proportion to the total assets of the Group	Unrealised fair value gain on the investments (HK\$'000)	Dividends received	Investment strategy
WLS Holdings Limited	8021	296,590,000	2.06%	15,126	4.60%	6,228	–	Passive
China Investment and Finance Group Limited	1226	11,067,760	3.40%	9,740	2.96%	7,659	–	Passive
Tai Kam Holdings Limited	8321	7,172,000	3.11%	9,324	2.83%	7,696	–	Passive
SEEC Media Group Limited	205	12,294,000	2.00%	8,360	2.54%	6,754	–	Passive
Wealth Glory Holdings Limited	8269	34,500,000	4.80%	7,245	2.20%	1,069	–	Passive
China Environmental Energy Investment Limited	986	59,224,000	4.74%	5,389	1.64%	(533)	–	Passive
AMCO United Holding Limited	630	49,520,000	2.05%	4,952	1.51%	(7,230)	–	Passive
China National Culture Group Limited	745	24,120,500	3.30%	4,342	1.32%	(941)	–	Passive
KPM Holding Limited	8021	9,800,000	4.38%	4,214	1.28%	2,744	–	Passive
China 33 Media Group Limited	8087	33,160,000	4.80%	3,979	1.21%	2,620	–	Passive
China e-Wallet Payment Group Limited	802	35,290,000	1.17%	3,776	1.15%	(423)	–	Passive
Sub-total				76,447	23.24%	25,643		
Other 10 listed equity securities (Note 2)				10,836	3.29%	(8,834)	–	Passive
Total				<u>87,283</u>	<u>26.53%</u>	<u>16,809</u>		

Note:

- Total Assets as at 31 December 2021: HK\$328,982,000
- As at 31 December 2021, other listed equity securities comprised 10 listed equity securities and none of them was more than 1.0% of the total assets of the Group. The companies of other listed equity securities are listed in Hong Kong in which they are principally engaged in steel business, the provision of financial services, movie & entertainment business, electronic technology, distribution, properties & construction and retail.

WLS Holdings Limited is a company listed in Hong Kong in which it and its subsidiaries are principally engaged in the provision of scaffolding and fitting out services, and other services for construction and buildings work, money lending business, securities brokerage and margin financing and securities investment business and assets management business.

China Investment and Finance Group Limited is a company listed in Hong Kong in which it and its subsidiaries are securities trading and investment holding.

Tai Kam Holdings Limited is a company listed in Hong Kong in which it and its subsidiaries undertaking site formation works and renovation work in Hong Kong and investment holding.

SEEC Media Group Limited is a company listed in Hong Kong in which it and its subsidiaries are engaged in the provision of advertising agency services, distribution of books and magazines, securities brokerage business, money lending business and e-commerce business in the People's Republic of China and in Hong Kong.

Wealth Glory Holdings Limited is a company listed in Hong Kong in which it and its subsidiaries are principally engaged in the trading of natural resources and commodities; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; investment in securities; and money lending business.

AMCO United Holding Limited is a company listed in Hong Kong in which it and its subsidiaries are principally engaged in sale of medical products; sale of plastic moulding products; provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works; provision of money lending; and investment in securities.

China National Culture Group Limited is a company listed in Hong Kong in which it and its subsidiaries are principally engaged in the provision of advertising through mobile devices, e-commerce from sale of products over the internet, trading and production of films and provision of other film related services.

KPM Holding Limited is a company listed in Hong Kong in which it and its subsidiaries are principally engaged in the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business and assets management business.

China 33 Media Group Limited is a company listed in Hong Kong in which it and its subsidiaries are principally engaged in the provision of outdoor and digital advertising services, film and entertainment investment, prepaid card business and provision of printed media advertising services.

China e-Wallet Payment Group Limited is a company listed in Hong Kong in which it and its subsidiaries are principally engaged in the provision of internet and mobile's application development and settlement application services.

Looking forward, the Board will adopt a passive investment strategy for the investments in securities. It aims to extract maximum returns from the market through investment in a diversified portfolio with low costs and does not involve frequent trading. The Board believes that the future performance of the listed investments held by the Group will be volatile and substantially affected by overall environment, equity market conditions, investor sentiment and the business performance and development of the investee companies.

The Board confirmed that the above supplemental information does not affect other information contained in the 2021 Annual Report and, save as disclosed above, the content of the 2021 Annual Report remains accurate and correct.

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

Hong Kong, 14 November 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.