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Suncorp
SunCorp Technologies Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 1063)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent
Suncorp
Securities Limited

THE PLACING

On 5 August 2020 (after trading hours of the Stock Exchange), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 152,150,000 Placing Shares at the Placing Price of HK\$0.09 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represents (i) approximately 20.00% of the existing issue share capital of the Company of 760,786,566 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$912,900.

The Placing Price of HK\$0.09 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.105 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.96% to the average closing price of HK\$0.1046 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$13.7 million and approximately HK\$13.3 million, respectively. The net price per Placing Share is approximately HK\$0.08775.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

5 August 2020

Issuer

The Company

Placing Agent

Suncorp Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 152,150,000 Placing Shares to independent Placees. The Placing Agent is an indirect wholly-owned subsidiary of the Company.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares either by itself or through its sub-placing agents to not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 152,150,000 Placing Shares under the Placing represents (i) approximately 20.00% of the existing issue share capital of the Company of 760,786,566 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$912,900.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue at the time of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.09 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.105 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.96% to the average closing price of HK\$0.1046 per Share in the last five trading days immediately prior to the date of the Placing Agreement. The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Commission

The placing commission to be received by the Placing Agent pursuant to the Placing Agreement is 2.50% on the gross proceeds of the Placing Shares which are successfully placed by the Placing Agent.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 152,157,313 Shares. As at the date of this announcement, no Share has been issued under the General Mandate.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Condition of the Placing Agreement

The Placing is conditional upon the Listing Committee of the Stock Exchange granting a listing of, and permission to deal in, the Placing Shares.

In the event the aforesaid conditions are not fulfilled by 26 August 2020 (or such later date as may be agreed by the Placing Agent and the Company in writing) all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Rescission of the Placing

If any of the following events occur at any time prior to 10:00 a.m. on the Completion Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Completion Date, rescind the Placing Agreement without liability to the other party, and the Placing Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations and warranties contained in the Placing Agreement untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (v) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Completion of the Placing

Completion of the Placing shall take place within four business days after the fulfillment of the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group was principally engaged in the sales and marketing of telephones and related components, processing and trading of used computer-related components, provision of brokerage, placing and underwriting services, money lending service in Hong Kong and B2B cross-border e-commerce business.

The Board considers that the Placing represents a good opportunity for the Company to raise additional funds for general working capital in the current difficult financial environment. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$13.7 million and approximately HK\$13.3 million, respectively. The Company intends to use such net proceeds for the general working capital of the Group and improve the cash position of the Group which then can help establishing and strengthening the existing and future business of the Group. The net placing price per Placing Share will be HK\$0.08775.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 760,786,566 Shares in issue. The following chart sets out the shareholding structure of the Company, assuming there are no other changes to the issued share capital of the Company, (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing:

	(a) As at date of this announcement		(b) immediately upon completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
Shareholders				
Malcolm Stephen JACOBS-PATON (<i>Note 1</i>)	125,039	0.02	125,039	0.01
Cloud Dynasty (Macau) Limited (<i>Note 2</i>)	50,000,000	6.57	50,000,000	5.48
Eugene Finance International Limited (<i>Note 3</i>)	65,000,000	8.54	65,000,000	7.12
Placees	–	–	152,150,000	16.67
Other public shareholders	645,661,527	84.87	645,661,527	70.72
	<u>760,786,566</u>	<u>100.00</u>	<u>912,936,566</u>	<u>100.00</u>
Total				

Notes:

1. Malcolm Stephen JACOBS-PATON is an executive Director of the Company.
2. Cloud Dynasty (Macau) Limited (“Cloud Dynasty”) is directly interested in 50,000,000 Shares. Cloud Dynasty is wholly-owned by Chan Sin Ying. Chan Sin Ying is therefore deemed to be interested in 50,000,000 Shares.
3. Eugene Finance International Limited (“Eugene Finance”) is directly interested in 65,000,000 Shares. Eugene Finance is wholly-owned by Xiao Lili. Xiao Lili is therefore deemed to be interested in 65,000,000 Shares.

GENERAL

The Placing Shares will be issued under the General Mandate and therefore the Placing will not be subject to Shareholder’s approval. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for business
“Company”	SunCorp Technologies Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 1063)
“Completion”	completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement
“Completion Date”	within four (4) Business Days (or such other date as may be agreed between the Company and the Placing Agent) following the fulfillment of the condition in respect of Placing Agreement
“Directors”	directors of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 30 June 2020 to issue and allot up to 152,157,313 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	party who is independent of, and not connected with the Directors, chief executive or substantial shareholders of each of the Company, its subsidiaries and their respective associates, in accordance with the Listing Rules
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement upon the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Suncorp Securities Limited, an indirect wholly-owned subsidiary of the Company and a corporation to carry on Type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 5 August 2020 in relation to the Placing
“Placing Price”	HK\$0.09 per Placing Share
“Placing Shares”	up to a total of 152,150,000 new Shares to be placed pursuant to the Placing Agreement upon the terms and subject to the conditions set out in the Placing Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.006 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 5 August 2020

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Malcolm Stephen Jacobs-Paton and Mr. Zhu Yuqi and three independent non-executive Directors, namely, Ms. Lu Bei Lin, Mr. Man Yuan and Mr. Ma Kin Ling.