

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



## **SUNWAY INTERNATIONAL HOLDINGS LIMITED**

**新威國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 58)**

### **ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021 AND DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS**

#### **UNAUDITED ANNUAL RESULTS**

The board of directors (the “**Board**”) of Sunway International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company that due to the implementation of COVID-19 pandemic prevention and control measures including the quarantine and lockdown measures imposed in Hong Kong and various cities in the mainland China, the audit process of the Group for the year ended 31 December 2021 has experienced delays as the auditors of the Group have not, as at the date of this announcement, received all the audit confirmations from banks in the PRC that are necessary to complete the audit procedures. Accordingly, the Company cannot publish the preliminary announcement of audited consolidated annual results for the year ended 31 December 2021 today in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

For the sake of providing the shareholders of the Company and market investors with information on the business operations and financial conditions of the Group, the Board is pleased to present the unaudited consolidated annual results of the Group for the year ended 31 December 2021 together with the comparative amounts for the year ended 31 December 2020. These unaudited financial results for the year ended 31 December 2021 have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

**HIGHLIGHTS**

- Revenue for the year ended 31 December 2021 was HK\$515,907,000, compared with HK\$384,960,000 last year, representing an increase of HK\$130,947,000.
- Gross profit for the year ended 31 December 2021 was HK\$96,544,000, compared with HK\$76,947,000 last year, representing an increase of HK\$19,597,000.
- Loss for the year attributable to owners of the Company was HK\$24,018,000, compared with HK\$18,827,000 last year, representing an increase of HK\$5,191,000.
- Loss per share attributable to owners of the Company amounted to HK13.37 cents, compared with HK10.92 cents last year, representing an increase of HK2.45 cents.
- No final dividend was proposed for the year ended 31 December 2021 (2020: Nil).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> <b>(Audited)</b>
<b>Continuing operation</b>			
Revenue	5	<b>515,907</b>	384,960
Cost of sales		<b>(419,363)</b>	(308,013)
Gross profit		<b>96,544</b>	76,947
Other income	6	<b>1,785</b>	2,425
Other gains and losses, net	7	<b>1,131</b>	4,664
Impairment losses recognised under expected credit loss model, net of reversal		<b>(6,123)</b>	(12,162)
Selling and distribution expenses		<b>(73,883)</b>	(60,028)
Administrative expenses		<b>(32,336)</b>	(29,371)
Other operating expenses		<b>(4,117)</b>	(872)
Finance costs	8	<b>(2,767)</b>	(3,559)
<b>Loss before tax</b>		<b>(19,766)</b>	(21,956)
Income tax (expense)/credit	10	<b>(7,632)</b>	2,886
<b>Loss for the year</b>	9	<b>(27,398)</b>	(19,070)
<b>Discontinued operation</b>			
Loss for the period from discontinued operation	12	–	(1,444)
<b>Loss for the year</b>		<b>(27,398)</b>	(20,514)
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(24,018)</b>	(18,827)
Non-controlling interests		<b>(3,380)</b>	(1,687)
		<b>(27,398)</b>	(20,514)
<b>Loss per share</b>			
<i>13</i>			
<b>From continuing and discontinued operations</b>			
Basic and diluted (HK cents)		<b>(13.37)</b>	(10.92)
<b>From continuing operation</b>			
Basic and diluted (HK cents)		<b>(13.37)</b>	(10.09)
<b>From discontinued operation</b>			
Basic and diluted (HK cents)		–	(0.83)

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

*Year ended 31 December 2021*

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Loss for the year</b>	<u><b>(27,398)</b></u>	<u>(20,514)</u>
<b>Other comprehensive income/(loss):</b>		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of financial statements of foreign operations	7,880	18,306
Reclassification adjustment on deregistration of foreign subsidiaries	–	1,511
<i>Items that will not be reclassified to profit or loss:</i>		
(Loss)/gain on revaluation of property, plant and equipment	(890)	18,709
Tax effect of revaluation of items of property, plant and equipment	<u>221</u>	<u>(4,667)</u>
<b>Other comprehensive income for the year, net of tax</b>	<u><b>7,211</b></u>	<u>33,859</u>
<b>Total comprehensive (loss)/income for the year</b>	<u><u><b>(20,187)</b></u></u>	<u><u>13,345</u></u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>		
Owners of the Company	(18,793)	5,017
Non-controlling interests	<u>(1,394)</u>	<u>8,328</u>
	<u><u><b>(20,187)</b></u></u>	<u><u>13,345</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2021*

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		<b>116,229</b>	129,376
Right-of-use assets		<b>40,590</b>	40,400
Goodwill		<b>19,941</b>	19,941
Deferred tax assets		<b>7,086</b>	12,068
		<b>183,846</b>	201,785
<b>Current assets</b>			
Inventories		<b>27,985</b>	17,702
Trade, bill and loan receivables	<i>14</i>	<b>249,005</b>	139,366
Prepayment, deposits and other receivables		<b>59,181</b>	86,392
Financial assets at fair value through profit or loss		<b>6,726</b>	12,149
Restricted bank deposits		–	1
Cash and cash equivalents		<b>2,734</b>	12,985
		<b>345,631</b>	268,595
<b>Current liabilities</b>			
Trade payables	<i>15</i>	<b>161,363</b>	88,837
Accruals and other payables		<b>52,676</b>	40,971
Contract liabilities		<b>2,851</b>	3,509
Lease liabilities		<b>172</b>	2,466
Amounts due to non-controlling interests		<b>532</b>	515
Amount due to a shareholder		<b>5,677</b>	5,677
Interest-bearing borrowings		<b>14,294</b>	29,944
Tax payables		<b>6,991</b>	5,887
		<b>244,556</b>	177,806
<b>Net current assets</b>		<b>101,075</b>	90,789
<b>Total assets less current liabilities</b>		<b>284,921</b>	292,574

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 December 2021

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
<b>Non-current liabilities</b>		
Interest-bearing borrowings	<b>21,159</b>	11,313
Lease liabilities	<b>2,224</b>	–
Deferred tax liabilities	<b>8,676</b>	8,197
Provision for long service payment	–	15
	<u><b>32,059</b></u>	<u>19,525</u>
<b>NET ASSETS</b>	<u><b>252,862</b></u>	<u>273,049</u>
<b>Capital and reserves</b>		
Share capital	<b>17,960</b>	17,960
Convertible notes	<b>12,600</b>	12,600
Reserves	<u><b>150,624</b></u>	<u>169,417</u>
<b>Equity attributable to owners of the Company</b>	<b>181,184</b>	199,977
Non-controlling interests	<u><b>71,678</b></u>	<u>73,072</u>
<b>TOTAL EQUITY</b>	<u><b>252,862</b></u>	<u>273,049</u>

## NOTES

*For the year ended 31 December 2021*

### 1. GENERAL INFORMATION

Sunway International Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda and the issued shares of which are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is situated at 3/F, Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong. Its major shareholder is Wealthy Port Holdings Limited, a company incorporated in Hong Kong and ultimately controlled by Mr. Chim Sai Yau Oscar.

The Company’s principal activity is investment holding. The Group is principally engaged in manufacturing and trading of pre-stressed high strength concrete pile, ready-mixed concrete, autoclaved sand-lime bricks, aerated concrete products and eco-concrete products. The Group was also engaged in provision of financial services, for which the board of directors decided not to renew the money lenders license (the “**License**”) upon expiration on 11 February 2020, that was discontinued accordingly.

The consolidated financial statements are presented in thousands of units of Hong Kong dollar (“**HK\$’000**”), unless otherwise stated.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain property, plant and equipment and certain financial instruments that are measured at revalued amounts or at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 3. APPLICATION OF AMENDMENTS TO HKFRSs

#### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment 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

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>3</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.



#### 4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors, being the chief operating decision maker (the “CODM”), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has one reportable segments during the year ended 31 December 2021. The reportable segments are based on the information about the operations of the Group that management uses to make decisions.

The Group’s reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies. Particulars of the Group’s reportable segments for continuing and discontinued operations are summarised as follows:

##### **Continuing operation**

Sales and manufacturing and pre-stressed high strength concrete pile, ready-mixed concrete, autoclaved sand-lime bricks, aerated concrete products and eco-concrete products and related processing income (the “**PHC piles and other products**”)

##### **Discontinued operation**

Money lending business (the “**Financial Services**”)

The Group engaged in the Financial Services operation, for which the board of directors decided not to renew the License upon expiration on 11 February 2020, that was discontinued accordingly. Details of the discontinued operation is set out in note 12. The CODM considered the Group has only one reporting and operating segment under HKFRS 8 *Operating Segments*, thus no segment information is presented.

Since all of the Group’s revenue were derived from the People’s Republic of China (the “**PRC**”) and over 90% of the Group’s non-current assets were located in the PRC for both years, no geographical segment information in accordance with HKFRS 8 is presented.

##### **Information about major customer**

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2021	2020
	<i>HK\$’000</i>	<i>HK\$’000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Customer A	<b>56,839</b>	46,756

Except for disclosed above, no other customers contributed 10% or more to the Group’s revenue for both years.

## 5. REVENUE

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Continuing operation</b>		
Revenue from contracts with customers recognised at a point in time:		
Sales of PHC piles and other products	<u>515,907</u>	<u>384,960</u>

## 6. OTHER INCOME

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Continuing operation</b>		
Bank interest income	22	65
Compensation income	1,574	1,435
Government grants	–	461
Over-provision of long service payment	15	–
Sundry income	<u>174</u>	<u>464</u>
	<u>1,785</u>	<u>2,425</u>

During the year ended 31 December 2020, the Group recognised government grants of HK\$461,000 in respect of Covid-19-related subsidies which relates to Employment Support Scheme provided by the Hong Kong government and subsidies provided by the PRC local government as a support. There were no unfulfilled conditions or contingencies relating to these government grants.

## 7. OTHER GAINS AND LOSSES, NET

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Continuing operation</b>		
Exchange loss, net	(93)	(221)
Realised gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	14,367	(2,841)
Unrealised (loss)/gain arising on change in fair value of financial assets at fair value through profit or loss	(9,179)	7,184
(Loss)/gain on disposal of property, plant and equipment	(2,338)	3
Gain on deregistration of subsidiaries	–	2,055
Provision for compensation and cost for legal cases	<u>(1,626)</u>	<u>(1,516)</u>
	<u>1,131</u>	<u>4,664</u>

## 8. FINANCE COSTS

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Continuing operation</b>		
Interest on leases liabilities	260	380
Interest on interest-bearing borrowings	2,458	3,040
Interest expenses to securities brokers	49	139
	<u>2,767</u>	<u>3,559</u>

## 9. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Continuing operation</b>		
Cost of inventories sold	309,090	220,588
Depreciation of property, plant and equipment	21,572	15,728
Depreciation of right-of-use assets	3,604	5,647
Auditor's remuneration:		
– Audit services	758	680
– Non-audit services	290	258
Impairment losses recognised under expected credit loss model, net of reversal:		
– trade, bill and loan receivables	(5,302)	15,600
– deposits and other receivables	11,425	(3,438)
	6,123	12,162
Staff costs (including directors' remuneration):		
– salaries, allowances and benefits in kind	44,675	36,855
– discretionary bonus	218	209
– over-provision for long service payment	(15)	–
– retirement benefits scheme contributions	2,835	879
	<u>47,713</u>	<u>37,943</u>

## 10. INCOME TAX EXPENSE/(CREDIT)

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Continuing operation</b>		
Current tax – PRC Enterprise Income Tax		
– Provision for the year	1,659	1,612
– Under-provision in prior years	–	52
Current tax – Hong Kong Profits Tax		
– Over-provision in prior years	–	(20)
	<u>1,659</u>	<u>1,644</u>
Deferred tax charge/(credit)	<u>5,973</u>	<u>(4,530)</u>
Income tax expense/(credit)	<u><u>7,632</u></u>	<u><u>(2,886)</u></u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Group has no assessable profits arising in Hong Kong or taxable profits were wholly absorbed by estimated tax losses brought forward.

The PRC subsidiaries are subject to the PRC Enterprise Income Tax at 25% for both years.

## 11. DIVIDENDS

No final dividend was paid or proposed during the year ended 31 December 2021 (2020: Nil), nor any dividend has been proposed by the board of directors subsequent to the end of the reporting period.

## 12. DISCONTINUED OPERATION

On 11 February 2020, being the date of expiration of the License, the board of directors decided not to renew the License. The non-renewal of the License is consistent with the Group's long-term policy to focus its activities on the Group's other business. As a result of the expiration of the License, the board of directors is in the opinion that the Financial Services operation should be classified as the discontinued operation.

The result of the discontinued operation for the period, which has been included in the consolidated statement of profit or loss, was as follows:

	Period from 1 January 2020 to respective date of termination of the License <i>HK\$'000</i> (Audited)
Revenue	6
Other income	159
Other gains and losses, net	(1,556)
Administrative expenses	<u>(53)</u>
Loss before tax	(1,444)
Income tax expenses	<u>–</u>
Loss for the period from discontinued operation attributable to owners of the Company	<u><u>(1,444)</u></u>

Loss for the period from discontinued operation has been arrived at after charging:

	Period from 1 January 2020 to respective date of termination of the License <i>HK\$'000</i> (Audited)
Depreciation of property, plant and equipment	15
Impairment loss recognised under expected credit loss model, net of reversal:	
– deposits and other receivables	45
Loss on deregistration of subsidiaries	<u><u>1,511</u></u>

Cash flows of the discontinued operation for the period were as follows:

	Period from 1 January 2020 to respective date of termination of the License <i>HK\$'000</i> (Audited)
Net cash generated from operating activities	631
Net cash used in financing activities	<u>(653)</u>
Net cash outflow	<u><u>(22)</u></u>

### 13. LOSS PER SHARE

#### From continuing and discontinued operations

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

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Loss:</b>		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u><u>(24,018)</u></u>	<u><u>(18,827)</u></u>

	2021 '000 (Unaudited)	2020 '000 (Audited)
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u><u>179,600</u></u>	<u><u>172,350</u></u>

As the Company's outstanding convertible notes where applicable had an anti-dilutive effect to the basic loss per share calculation, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share for both years.

### From continuing operation

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

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share (loss for the year from continuing operation attributable to owners of the Company)	<u><u>(24,018)</u></u>	<u><u>(17,383)</u></u>

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted loss per share from continuing and discontinued operations respectively.

### From discontinued operation

The calculation of basic and diluted loss per share from discontinued operation attributable to owners of the Company are based on the following data:

	Period from 1 January 2020 to respective date of termination of the License <i>HK\$'000</i> (Audited)
<b>Loss</b>	
Loss for the purpose of basic and diluted loss per share (loss for the period from discontinued operation attributable to owners of the Company)	<u><u>(1,444)</u></u>

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted loss per share from continuing and discontinued operations respectively.

#### 14. TRADE, BILL AND LOAN RECEIVABLES

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Trade receivables from contracts with customers	276,769	208,187
Less: allowance for credit losses	<u>(28,690)</u>	<u>(69,744)</u>
Trade receivables (net of allowance for credit losses)	248,079	138,443
Bill receivables	939	950
Less: allowance for credit losses	<u>(13)</u>	<u>(27)</u>
Trade and bill receivables (net of allowance for credit losses)	<u>249,005</u>	<u>139,366</u>
Loan receivables	129,141	129,141
Less: allowance for credit losses	<u>(129,141)</u>	<u>(129,141)</u>
Loan receivables (net of allowance for credit losses)	<u>–</u>	<u>–</u>
Total trade, bill and loan receivables (net of allowance for credit losses)	<u><u>249,005</u></u>	<u><u>139,366</u></u>

The Group's trading terms with its customers are mainly on credit except for new customers, where payment in advance is normally required. For trade receivables resulted from sales of PHC piles and other products, the credit period is generally one to three months from the date of billing, except for certain well-established customers, where the term is extended to six months. For loan receivables, the loan period is generally twelve months from the date of inception or renewal. The Group seeks to maintain strict control over its receivables to minimise credit risk.

##### (a) Aging analysis

The aging analysis of trade and bill receivables (net of allowance for credit losses), based on earlier of the invoice date or revenue recognition date, is as follows:

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Within 3 months	159,079	97,115
4 to 6 months	48,815	39,426
7 to 12 months	<u>41,111</u>	<u>2,825</u>
	<u><u>249,005</u></u>	<u><u>139,366</u></u>



## 15. TRADE PAYABLES

The aging analysis of trade payables, based on invoice date, at the end of the reporting period is as follows:

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
Within 3 months	<b>74,569</b>	55,692
4 to 6 months	<b>34,262</b>	18,169
7 to 12 months	<b>49,446</b>	1,911
Over 12 months	<b>3,086</b>	13,065
	<b>161,363</b>	88,837

The average credit terms received from suppliers of the Group is one month.

## 16. PLEDGED OF ASSETS

Assets with the following carrying amounts have been pledged to secure bank borrowings of the Group:

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
Buildings	<b>59,184</b>	57,645
Plant and machinery	<b>21,873</b>	29,538
Right-of-use assets	<b>21,141</b>	21,048
	<b>102,198</b>	108,231

In addition, the bank borrowings were secured by leasehold land and buildings held by a related company of a subsidiary of the Group and have a personal guarantee provided by the directors of a subsidiary and guarantee provided by non-controlling interests of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **REVIEW OF RESULTS AND OPERATIONS**

#### **Construction Materials Business**

Construction materials business consisted of the PHC Pile and Others Business.

#### **PHC Pile and Others Business**

PHC Pile and Others Business is operated by a subsidiary of the Company, 廣東恒佳建材股份有限公司 Guangdong Hengjia Construction Materials Co., Ltd\* (“**Guangdong Hengjia**”) and its production factory is situated in Yangjiang City, Guangdong Province, the PRC. Guangdong Hengjia sells its products to customers located in Yangjiang City and its surrounding cities in Guangdong Province.

Revenue from external customers for FY2021 was HK\$515,907,000 compared with HK\$384,960,000 reported last year, which increased by approximately 34%. The increase in revenue for the year was mainly attributable to the increase in sales volume of PHC piles.

#### **Other gains and losses, net**

Other gains and losses, net for FY2021 amounted to HK\$1,131,000 (FY2020: HK\$4,664,000), represented a decrease in HK\$3,533,000. Such decrease was mainly due to the increase in loss of disposal of property, plant and equipment of approximately HK\$2 million and absent of gain on deregistration of subsidiaries of approximately HK\$2 million in FY2021.

#### **Administrative expenses**

Administrative expenses for FY2021 amounted to HK\$32,336,000 (FY2020: HK\$29,371,000), representing an increase of 10%, which was mainly due to the increase in social and medical insurance expense of approximately HK\$2 million provided for PRC labour.

#### **Discontinued operation**

Financial services operation was discontinued during the year ended 31 December 2020.

Loss for the period from discontinued operation was HK\$1,444,000 for last year.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group finances its operations with equity fund raising activities, internally generated cash flow and banking facilities provided by its principal bankers in the PRC. As at 31 December 2021, equity attributable to owners of the Company was HK\$181,184,000, representing a decrease of approximately 9% over last year. As at 31 December 2021, the Group's cash and cash equivalents stood at HK\$2,734,000 whereas interest-bearing borrowings were HK\$35,453,000. The annual interest rates of the borrowings for FY2021 ranged from 3.85% to 7.92% per annum. The above borrowings were denominated in Hong Kong Dollar and Renminbi. During the year, the Group did not use any financial instruments for any hedging purposes. The gearing ratio, which was computed by dividing the current liabilities and non-current liabilities by total equity, was approximately 109% as at 31 December 2021.

## **SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSAL**

The Group has no significant investment, acquisition and disposal during the year.

## **CAPITAL STRUCTURE**

### **Convertible notes**

As at 31 December 2021, the Company had convertible notes with principal amount of HK\$30,000,000. Based on the opinion obtained from the legal adviser of the Company, in view of the on-going legal proceedings mentioned under the paragraph headed "Contingent Liabilities" and "Legal Proceedings" in this announcement, the Company maintains the position that all remaining convertible notes of the Company are void and are not capable of converting into shares of the Company.

### **Shares allotment**

#### ***2020 Allotment***

On 29 November 2019, the Company entered into a subscription agreement with Wealthy Port Holdings Limited ("**Wealthy Port**"), the then substantial shareholder of the Company, which is beneficially owned by Mr. Chim Sai Yau, Oscar, a former executive Director of the Company, pursuant to which the Company has conditionally agreed to allot and issue 149,063,676 ordinary shares of HK\$0.1 each to Wealthy Port at a price of HK\$0.1 per share ("**2020 Subscription**"). The share allotment was completed on 30 March 2020 and the net proceeds of approximately HK\$13.9 million, representing a net price of approximately HK\$0.093 per subscription share, raised from the 2020 Subscription ("**2020 Net Proceeds**") would be used for general working capital purposes.

During the nine months ended 31 December 2020, the 2020 Net Proceeds was utilised as follows:

<b>Intended usage of the 2020 Net Proceeds</b>	<b>Estimated amount (HK\$ million) (Audited)</b>	<b>Actual usage as at 31 December 2020 (HK\$ million) (Audited)</b>
Group's rental related expenses	4.0	4.0
Staff and directors' remuneration	3.0	3.0
Legal and professional fees	5.0	4.2
Administration related expenses	1.9	1.3
	<hr/>	<hr/>
Total	<u>13.9</u>	<u>12.5</u>

The remaining 2020 Net Proceeds in the amount of HK\$1.4 million from the 2020 Subscription has been fully utilised in accordance with the intended usage during the first quarter of 2021.

### **Share options**

No share options were granted, exercised, lapsed or cancelled during the years ended 31 December 2021 and 2020.

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2021, the Group had approximately 432 full-time management, administrative, technical and production staff in the PRC and Hong Kong. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practice. The Group's Directors and employees in Hong Kong joined the Mandatory Provident Fund Scheme.

### **FOREIGN EXCHANGE AND CURRENCY RISKS**

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB") and Hong Kong Dollar ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against RMB. The Group has a net exchange exposure to RMB as the Group's assets are principally located in the PRC. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner.

### **COMMITMENT**

The Group did not have material commitments as at 31 December 2021 and 31 December 2020.

## CONTINGENT LIABILITIES

References are made to the Company's announcements dated 5 February 2016, 14 March 2017 and 4 September 2017 in relation to an action commenced by Liu Qian (劉倩) (“**Ms. Liu**”) as the plaintiff against the Company as the defendant.

The court further gave directions on 31 December 2018 for the parties to consider fixing a case management summons but no case management summons has been fixed yet as of the date of this announcement.

The amount of the claims by Ms. Liu, in relation to the convertible notes with a face value of HK\$15 million, was about HK\$40 million as per the Statement of Claim dated 29 January 2016. The convertible notes were issued in favour of the vendor as part of the consideration of the sale and purchase agreement dated 3 October 2013 (“**SPA**”). According to a legal opinion dated 15 March 2022 given by the Company's solicitors, upon the fundamental breach of the SPA, it is open for the Company to argue that the terms and conditions under the SPA has failed and the outstanding convertible notes are void and have no effect.

## LEGAL PROCEEDINGS

As at the date of this announcement, the Company or its subsidiaries were involved in the following material legal proceedings:

### 1. Sunway Financial Management Limited

Reference is made to the Company's announcement dated 20 January 2020 in relation to provision of financial assistance and announcement dated 12 August 2020 in relation to clarification on audited annual results announcement, despite the issue of legal demand letters in August 2019, the six borrowers (and their guarantors, if applicable) (the “**Loan Debtors**”) who are independent third parties have failed to settle any outstanding loans and interests as at 31 December 2019. As a result, Sunway Financial Management Limited has taken the following legal proceedings against the Loan Debtors:

#### (a) *Huali Capital Investment Holding Co., Limited* (“*Huali Capital*”)

In respect of the loan advanced to Huali Capital (a company registered in Hong Kong), which was guaranteed by Tailor Wealth Group Limited (“**Tailor Wealth**”), a Writ of Summons against Huali Capital had been issued in the High Court of Hong Kong under the action no. HCA 746/2020 on 21 May 2020 and had been served upon Huali Capital at its registered office on 1 June 2020. Gallant Solicitors and Notaries (“**Gallant**”), solicitors for the Company, had obtained judgment in default on 18 August 2020 (the “**Judgment**”). Since Huali Capital had failed to satisfy the Judgment, a statutory demand was served on Huali Capital on 7 October 2020. The Company filed a petition for winding up against Huali Capital on 18 November 2020. On 17 February 2021, a Winding Up Order was granted by

the Court. Mr. Osman Mohammed Arab and Mr. Wong Kwok Keung of RSM Corporate Advisory (Hong Kong) Limited were appointed as the Joint and Several Provisional Liquidators on 17 February 2021 and they are in the progress of investigating the assets and liabilities of Huali Capital.

In respect of the guarantor Tailor Wealth (a company registered in the British Virgin Islands (“**BVI**”)), legal advice had been obtained from a BVI legal firm, namely Appleby, to take legal action against Tailor Wealth. A Winding Up Order was made on 18 January 2021 and it was ordered that Tailor Wealth be liquidated by the Court. Mr. Matthew Richardson of Grant Thornton (British Virgin Islands) Limited, a licensed insolvency practitioner in BVI and Mr. David Bennett of Grant Thornton Recovery & Reorganisation Limited in Hong Kong had been appointed as Joint Liquidators. The Joint Liquidators reported that were yet to receive a response from a number of the parties identified and contacted previously. From the records and information received, there was no evidence of any assets held by Tailor Wealth.

**(b) *Mei Rui Group Limited (“Mei Rui”)***

In respect of the loan advanced to Mei Rui (a company registered in the BVI), legal advice had been obtained from Appleby to take legal action against Mei Rui. A Winding Up Order was made on 18 January 2021 and it was ordered that Mei Rui be liquidated by the Court. Mr. Matthew Richardson and Mr. David Bennett had been appointed as Joint Liquidators.

Upon Mei Rui’s request, the Joint Liquidators are informed to withhold the liquidation procedure until further notice as the parties are in the course of negotiating settlement on repayment of indebtedness.

**(c) *Shenzhen Siping Investment Company Limited (“Shenzhen Siping”)***

In respect of the loan advanced to Shenzhen Siping (a company incorporated in Mainland China), legal advice had been obtained from a legal firm in the Mainland China namely Zhuoxin Law Firm, to commence legal actions against Shenzhen Siping and 鄭肇宏 (“**Mr. Zheng**”), the director of Shenzhen Siping, for the recovery of the outstanding loan receivables in August 2020. The Company has applied to withdraw the claim against Shenzhen Siping and Mr. Zheng on the ground that there is insufficient evidence to proceed with the claim. The Company is now waiting for the refund of half of the costs of the legal action from Shenzhen Qianhai Cooperation Zone People’s Court.

(d) *Fuzhou Xufa Trading Company Limited (“Fuzhou Xufa”)*

In respect of the loan advanced to Fuzhou Xufa (a company incorporated in Mainland China), legal advice had been obtained from Zhuoxin Law Firm to commence legal actions against Fuzhou Xufa for the recovery of outstanding loan receivables. Subsequently, Fuzhou Xufa contacted Sunway FM that it wished to negotiate for settlement of the debt on the condition that the legal action be withdrawn. A cheque in the sum of HK\$1 million was tendered to Sunway FM as earnest money for settlement negotiation. On 21 September 2020, Sunway FM accepted Fuzhou Xufa’s request for settlement negotiation. Sunway FM therefore instructed Zhuoxin Law Firm to notify the Court of its intention to withdraw the case for settlement negotiation and it has applied for refund of half of the costs of the legal action from Fuzhou Intermediate People’s Court and is now waiting for the refund.

Sunway FM has been advised by Zhuoxin Law Firm that it can resume the Court case if the settlement negotiation does not become fruitful. However, final settlement has not been reached yet due to lasting travel restrictions. Hence, Sunway FM will consider to instruct Zhuoxin Law Firm to recommence legal action against Fuzhou Xufa for the recovery of outstanding loan receivables.

(e) *Charmate Development Limited (“Charmate”)*

In respect of the loans advanced to Charmate (a company registered in the BVI) which were guaranteed by Mr. Chen Zhiguo 陳志國 (“**Mr. Chen**”) (being a Chinese national), legal advice had been obtained from Appleby to take legal action against Charmate. A Winding Up Order was made on 18 January 2021 and it was ordered that Charmate be liquidated by the Court. Mr. Matthew Richardson and Mr. David Bennett had been appointed as Joint Liquidators. The Joint Liquidators reported that they were yet to receive a response from a number of the parties identified and contacted previously. From the records and information received, there was no evidence of any assets held by Charmate.

Legal action for the recovery of outstanding loan receivables from Mr. Chen, the guarantor, had been commenced in Fujian Putian Intermediate People’s Court. Zhuoxin Law Firm, Sunway FM’s PRC legal representative, and Mr. Chen’s legal representative attended a hearing on 26 October 2021, in which both parties had submitted evidence. The Company is now waiting for further directions from the Court.

(f) *Fuzhou Dongye Trading Company Limited (“Fuzhou Dongye”)*

In respect of the loan advanced to Fuzhou Dongye and the subsequent assignment of loan to Sky Long Group Limited (“**Sky Long**”), legal advice had been obtained from a Samoa legal firm, namely Leung Wai Law Firm as to the most cost-effective way to recover the loan receivables from Sky Long. It has been noted that Sky Long is the holding company of Tailor Wealth which is the holding company of Huali Capital. Since winding up and enforcement actions have been taken against Tailor Wealth and Huali Capital, actions will be taken against Sky Long after the result of the liquidation of Tailor Wealth in the BVI and Huali Capital in Hong Kong in order to save costs.

2. **Sunway New Energy Industry Group Limited**

References are made to the announcements of the Company dated 12 September 2017, 10 October 2017 and 25 April 2018 in relation to the memorandum of understanding dated 12 September 2017 (as supplemented on 10 October 2017 and 25 April 2018) (the “**MOU**”) entered into among Sunway New Energy Industry Group Limited (新威新能源產業集團有限公司) (a wholly-owned subsidiary of the Company) (“**Sunway New Energy**”), Divine Lands International Gas Holdings Group Limited (神州國際燃氣控股集團有限公司) (the “**Vendor**”) and Deng Chao (鄧超) (the “**Guarantor**”) in relation to the possible acquisition of the entire issued share capital of Sino New Energy International Limited (中國超燃能源國際有限公司) (the “**Possible Acquisition**”).

Pursuant to the MOU, Sunway New Energy had paid in cash an earnest money in the sum of HK\$100,000,000 (the “**Refundable Earnest Money**”) to the Vendor. The Refundable Earnest Money shall be applied as part payment of the consideration for the Possible Acquisition upon signing of the formal agreement. Should Sunway New Energy decide not to proceed with the Possible Acquisition or Sunway New Energy and the Vendor fail to enter into the formal agreement within the exclusivity period, the Vendor shall refund the Refundable Earnest Money together with interest accrued thereon to Sunway New Energy.

Since Sunway New Energy decides not to proceed with the Possible Acquisition and no formal agreement was entered into between Sunway New Energy and the Vendor within the exclusivity period, Sunway New Energy had requested the Vendor to return the Refundable Earnest Money. However, the Vendor fails to return the Refundable Earnest Money to Sunway New Energy.

Reference is made to the announcement of the Company dated 2 July 2019 on which Sunway New Energy had filed a writ with the Sichuan Le Shan Intermediate People’s Court\* (四川省樂山市中級人民法院) (the “**Court**”) for the commencement of legal proceedings against, among others, the Vendor and the Guarantor for the return of the Refundable Earnest Money. On the same day, the Court had accepted the writ filed by Sunway New Energy.



According to the civil ruling by the Court on 16 July 2019, the Guarantor's assets with value within RMB100,000,000, being the shares of PRC companies as owned by the Guarantor (the "**Frozen Shares**"), were suspended for a period of three years. As advised by the Company's PRC Counsel dated 25 September 2020, the Frozen Shares, which were also under liquidation proceedings in some other legal cases, had to be released under the PRC laws. However, for prudence purpose and compliance with HKFRS 9, full impairment had already been made against the Refundable Earnest Money during the year ended 31 December 2019 in accordance with the valuation report.

As per the PRC Counsel's advice dated 18 March 2022:

- (a) the Court held that both of the Vendor and the Guarantor be liable to refund the Refundable Earnest Money together with interest accrued thereon to Sunway New Energy. However, as at the date of this announcement, Sunway New Energy had not yet been refunded for anything because both of the Vendor and the Guarantor were found not to own any valuable and enforceable assets; and
- (b) in addition, in view of the huge net liabilities as shown by the latest audited report, the Frozen Shares were declared bankruptcy by the local court on 13 February 2022. It is expected that the bankruptcy procedures may be completed by the end of 2022.

### **3. The Company/its subsidiary as the plaintiff**

By a Generally Indorsed Writ of Summons dated 23 June 2015 and Statement of Claim dated 18 August 2015 issued by the Company and First Billion Global Limited, a wholly-owned subsidiary of the Company (collectively, the "**Plaintiffs**") against Xiao Guang Kevin (蕭光) ("**Mr. Xiao**") and Wang Zhining (王志寧) ("**Mr. Wang**") (collectively, the "**Defendants**"), the vendor and the guarantor, respectively, all of whom are parties to a very substantial acquisition of the Company (the "**VSA**") as announced by the Company in its announcement dated 30 January 2014 and its circular dated 31 March 2014, the Plaintiffs claim that the Defendants have fundamentally breached the terms and conditions of the SPA (the "**SPA Legal Proceedings**"). Accordingly, the Plaintiffs are seeking to rescind the SPA under which, as part of the consideration price, certain convertible notes were issued by the Company to Mr. Xiao.

On 16 March 2017, the Plaintiffs filed an Amended Statement of Claim to the Court of First Instance adding Ms. Liu as a defendant to the SPA Legal Proceedings claiming, amongst other things, that Ms. Liu is a nominee of Mr. Wang and further claim against the Defendants for misrepresentation regarding the undisclosed guarantees given by Zhuhai Hoston in favour of 王天 (Wang Tian) which has led to the Group's involvement in such litigation.

Pursuant to the Order of the Court of First Instance dated 5 December 2017, the Plaintiffs filed and served on the Defendants their Further and Better Particulars of the Amended Statement of Claim on 9 January 2018. Upon counsel's advice, the Plaintiffs are considering to further amend the Amended Statement of Claim in order to, amongst other things, simplify their claims and to make clear their causes of action in due course. For the purpose of saving costs, the Plaintiffs have allowed the Defendants to withhold preparing their Amended Defence pending the Plaintiff's aforesaid application to further amend the Amended Statement of Claim.

In the circumstances, the Plaintiffs have filed a Notice of Intention of Proceed into Court on 10 November 2021.

Save as disclosed above and elsewhere in this announcement, as at the date of this announcement, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

## **PROSPECT**

Although the Sino-US trade war has been ongoing since 2018, the dispute has no material impact on the Group's operations. According to a guideline jointly issued by the General Office of the Communist Party of China Central Committee of the PRC and the General Office of the State Council of the PRC dated 24 February 2021, China has unveiled plans to build the country's strength in the transport sector over the next 15 years, setting long-term goals for the industry, with the aim of developing a modern, high-quality and comprehensive national transport network. By 2035, the country's transport network should be convenient, cost-effective, green, intelligent and safe. Among them, there will be about 200,000 km of railways, 460,000 km of highways and 25,000 km of high-grade waterways, with 27 major costal ports, 36 major inland ports, about 400 civil-transport airports and about 80 postal express-delivery hubs.

The Directors consider that such policies will have positive effects to the construction material industry in the PRC and thus can benefit the Group. In addition, the Group has been committed to expand the business scale by exploring new business, bringing new growth and momentum to the Group.

## UPDATES ON DIRECTOR'S INFORMATION

Upon specific enquiry by the Company and following confirmations from the Directors, save as set out below, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules for the year ended 31 December 2021 and up to the date of this announcement:

- (1) Mr. Choi Pun Lap was appointed as an executive director by Aurum Pacific (China) Group Limited (stock code: 8148) and Zhejiang United Investment Holdings Group Limited (stock code: 8366), both of which are listed on the GEM Board of the Stock Exchange of Hong Kong Limited, on 1 June 2021 and 30 September 2021 respectively.
- (2) Mr. Lum Pak Sum had resigned as an independent non-executive director from TATA Health International Holdings Limited (stock code: 1255) effective from 19 June 2021. In addition, Mr. Lum had retired as an independent non-executive director with effect from the conclusion of the annual general meeting, as held on 23 June 2021, of China Asia Valley Group Limited (stock code: 0063).

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

## CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Listing Rules during the year ended 31 December 2021 and as at the date of this announcement, except for the following deviations:

- (a) insufficient number of independent non-executive directors

Following the resignation of Mr. Tong Leung Sang and Mr. Chan Sung Wai on 1 January 2021 and 1 November 2021 respectively and prior to the effective date of the appointment of Mr. Yu Shui Sang Bernard ("**Mr. Yu**") and Mr. Wong Yue Kwan Alan ("**Mr. Wong**") on 4 January 2021 and 1 January 2022 respectively, the Board comprised two independent non-executive Directors, and therefore the Company failed to meet the requirements of having:

- (i) at least three independent non-executive directors on the Board under Rule 3.10(1) of the Listing Rules;
- (ii) the Audit Committee comprising only non-executive directors with a minimum of three members under Rule 3.21 of the Listing Rules;

- (iii) the Remuneration Committee comprising a majority of independent non-executive directors under Rule 3.25 of the Listing Rules; and
- (iv) the Nomination Committee comprising a majority of independent non-executive directors under Code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

After the appointment of Mr. Yu and Mr. Wong which came into effect on 4 January 2021 and 1 January 2022 respectively, the Company had re-complied with all the above requirements.

- (b) identity of the chairman and chief executive and whether their roles are separate

Following the resignation of Mr. Li Chongyang, former Managing Director, and Mr. Fok Po Tin, former Chairman, on 27 August 2021 and 1 January 2022 respectively, the Company had no designated Director to act as a chairman or a chief executive. The responsibility of a chairman or a chief executive rests with the board of directors of the Company and the Company fails to comply with code provision C.2.1 of the Code contained in Appendix 14 to the Listing Rules.

The Company has made endeavors however more time is required to identify suitable candidate to be the chairman and chief executive in order to comply with the Code. The Company will continue with such endeavors and will comply with the Code as soon as possible.

## **REVIEW OF UNAUDITED ANNUAL RESULTS**

At the date of this announcement, due to the further surge in the COVID-19 pandemic in Hong Kong and mainland China since early 2022, the audit process for the annual results for the year ended 31 December 2021 has not been completed and the auditor is still in the process of performing the audit work. The unaudited annual results contained herein have not been agreed with the Company's auditors as required under the Listing Rules but have been reviewed by the Audit Committee.

## **DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS AND FURTHER ANNOUNCEMENT(S)**

It is expected that the Company will issue further announcement(s) in relation to the audited annual results for the year ended 31 December 2021 as agreed by the Company's auditor and the material differences (if any) as compared with the unaudited annual results contained herein before the end of April 2022 following completion of the audit process. In addition, the Company will issue further announcement(s) as and when necessary if there are other material development in the completion of the audit process.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all the Directors have confirmed that they have complied with required standard set out in the Model Code throughout the year.

## **PUBLICATION OF ANNUAL REPORT**

The annual report 2021 of the Company containing all information required by the Listing Rules will be published on the website of the Company at <http://www.hk0058.com> and the website of the Stock Exchange at <http://www.hkexnews.hk> around the end of April 2022.

**The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Sunway International Holdings Limited**  
**Law Chun Choi**  
*Executive Director and Company Secretary*

Hong Kong, 29 March 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Law Chun Choi and Mr. Lin Jincong, one non-executive Director, namely, Mr. Lum Pak Sum, and three independent non-executive Directors, namely, Mr. Choi Pun Lap, Mr. Yu Shui Sang Bernard and Mr. Wong Yue Kwan Alan.*

*Website: <http://www.hk0058.com>*

*\* For identification purpose only*