Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

The board of directors (the "Board" or "Directors") of Suncorp Technologies Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2007 together with the comparative figures for the year ended 31 December 2006 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	**2007** *HK$'000*	2006 *HK$'000*
Revenue	3	**1,116,279**	1,765,156
Cost of sales		**(1,057,782)**	(1,707,920)
Gross profit		**58,497**	57,236
Other income	4	**8,692**	2,950
Distribution and selling expenses		**(45,019)**	(48,470)
Administrative expenses		**(79,908)**	(95,399)
Impairment loss on trade and other receivables from a jointly controlled entity		**(209,858)**	(168,868)
Impairment losses on other assets	5	**(102,866)**	(72,531)
Share of loss of a jointly controlled entity		**–**	(3,354)
Finance costs	6	**(14,737)**	(26,587)
Loss before tax	7	**(385,199)**	(355,023)
Income tax (expense) credit	8	**(665)**	5,385
Loss for the year		**(385,864)**	(349,638)
Attributable to:			
Equity holders of the Company		**(385,809)**	(349,592)
Minority interests		**(55)**	(46)
		(385,864)	(349,638)
Dividends recognised as distribution during the year	9	**–**	–
Loss per share	10	**(HK$0.57)**	(HK$0.95)

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	NOTES	**2007** **HK$'000**	2006 HK$'000
Non-current assets			
Property, plant and equipment		**5,623**	76,688
Interest in a jointly controlled entity		**–**	–
Intangible assets		**–**	69,047
		5,623	145,735
Current assets			
Inventories		**26,286**	32,397
Trade, bills and other receivables	11	**11,709**	29,358
Trade receivable with insurance coverage	12	**144,586**	79,322
Trade and other receivables from a jointly controlled entity		**–**	107,207
Bills receivable discounted with full recourse	13	**30,809**	128,149
Tax recoverable		**2,358**	2,599
Pledged bank deposits		**15,966**	–
Bank balances and cash		**11,813**	60,842
		243,527	439,874
Current liabilities			
Trade and other payables	14	**296,714**	319,231
Advances drawn on trade receivable with insurance coverage		**132,294**	79,726
Advances drawn on bills receivable discounted with full recourse		**30,809**	128,149
Amounts due to directors		**23,843**	38,968
Financial guarantee contracts		**–**	2,683
Tax payable		**2,675**	2,605
Obligations under finance leases due within one year		**8,462**	16,959
Bank borrowings due within one year		**25,400**	23,527
		520,197	611,848

CONSOLIDATED BALANCE SHEET (Continued)

AS AT 31 DECEMBER 2007

	NOTES	**2007** **HK$'000**	2006 *HK$'000*
Net current liabilities		**(276,670)**	(171,974)
Total assets less current liabilities		**(271,047)**	(26,239)
Non-current liabilities			
Amounts due to minority shareholders		**798**	798
Obligations under finance leases due after one year		**1,657**	12,123
		2,455	12,921
Net liabilities		**(273,502)**	(39,160)
Capital and reserves			
Share capital		**86,059**	40,974
Reserves		**(359,670)**	(80,298)
Equity attributable to equity holders of the Company		**(273,611)**	(39,324)
Minority interests		**109**	164
Total equity		**(273,502)**	(39,160)

Notes:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the Directors have given consideration to the future liquidity of the Group in light of its net liabilities of approximately HK$274 million at 31 December 2007 and the loss of approximately HK$386 million reported for the current year. The Directors are also taking active steps to improve the liquidity position of the Group. These steps include (i) raising a gross cash proceeds of approximately HK$67,900,000 through an issuance of convertible notes for a total of 679 million new shares at HK$0.1 per convertible share; (ii) negotiating with major customers to accelerate the pace of launching new products; (iii) implementing stringent cost control measures; (iv) requesting suppliers to extend their payment terms to strengthen its cash flow position. Provided that these measures can successfully improve the liquidity position of the Group, the Directors are satisfied that the Group will be able to continue to operate with no significant financial difficulties. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) - INT 8	Scope of HKFRS 2
HK(IFRIC) - INT 9	Reassessment of Embedded Derivatives
HK(IFRIC) - INT 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment is required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in the prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combination[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - INT 11	HKFRS 2 - Group and Treasury Share Transactions[3]
HK(IFRIC) - INT 12	Service Concession Arrangements[4]
HK(IFRIC) - INT 13	Customer Loyalty Programmes[5]
HK(IFRIC) - INT 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

[1] Effective for annual periods beginning on or after 1 January 2009

[2] Effective for annual periods beginning on or after 1 July 2009

[3] Effective for annual periods beginning on or after 1 March 2007

[4] Effective for annual periods beginning on or after 1 January 2008

[5] Effective for annual periods beginning on or after 1 July 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The Directors anticipate that the application of the other new and revised standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Revenue represents the gross amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, during the year.

Geographical segments by location of customers with reference to the location of final users of the telephone and related equipment for the year ended 31 December 2007 are set out below:

	Western Europe *HK$'000*	Central and Eastern Europe *HK$'000*	Asia Pacific *HK$'000*	Others *HK$'000*	Total *HK$'000*
REVENUE	**1,008,136**	**16,983**	**66,988**	**24,172**	**1,116,279**
RESULTS					
Segment results	**1,725**	**480**	**633**	**648**	**3,486**
Unallocated income					**8,692**
Unallocated expenses					**(382,640)**
Finance costs					**(14,737)**
Loss before tax					**(385,199)**
Income tax expense					**(665)**
Loss for the year					**(385,864)**
CONSOLIDATED BALANCE SHEET					
ASSETS					
Segment assets	**109,383**	**1,929**	**60,855**	**1,146**	**173,313**
Unallocated assets					**75,837**
					249,150
LIABILITIES					
Unallocated liabilities					**522,652**
OTHER INFORMATION					
Impairment loss on trade and other receivables from a jointly controlled entity	**–**	**–**	**209,858**	**–**	**209,858**
Impairment loss on trade receivables	**–**	**–**	**1,183**	**–**	**1,183**

Geographical segments by location of customers with reference to the location of final users of the telephone and related equipment for the year ended 31 December 2006 are set out below:

	Western Europe *HK$'000*	Central and Eastern Europe *HK$'000*	Asia Pacific *HK$'000*	Others *HK$'000*	Total *HK$'000*
REVENUE	1,487,803	89,904	151,790	35,659	1,765,156
RESULTS					
Segment results	5,243	1,019	375	365	7,002
Unallocated income					2,950
Unallocated expenses					(335,034)
Share of loss of a jointly controlled entity					(3,354)
Finance costs					(26,587)
Loss before tax					(355,023)
Income tax credit					5,385
Loss for the year					(349,638)
CONSOLIDATED BALANCE SHEET					
ASSETS					
Segment assets	163,948	3,374	55,699	2,433	225,454
Unallocated assets					360,155
					585,609
LIABILITIES					
Unallocated liabilities					624,769
OTHER INFORMATION					
Impairment loss on trade and other receivables from a jointly controlled entity	–	–	168,868	–	168,868

All of the Group's revenue and contribution to results were derived from the design and sale of telephones and related equipment. Accordingly, no business segment analysis is presented for the Group.

As at 31 December 2007 and 2006, more than 90% of the identifiable assets and liabilities of the Group are located in Hong Kong. Accordingly, an analysis of the carrying amount of segment assets and capital expenditure, analysed by the geographical area in which the assets and liabilities located are not presented.

4. OTHER INCOME

	2007	2006
	HK$'000	*HK$'000*
Amortisation of financial guarantee contracts	**2,683**	671
Exchange gain	**–**	971
Gain on disposal of property, plant and equipment	**–**	100
Interest income	**871**	855
Sundry income	**5,138**	353
	8,692	2,950

Included in sundry income is an amount of HK$5,108,000 (2006: Nil) in respect of the reversal of liabilities of certain subsidiaries upon their deregistration.

5. IMPAIRMENT LOSSES ON OTHER ASSETS

	2007	2006
	HK$'000	*HK$'000*
Impairment loss on property, plant and equipment	**53,036**	–
Impairment loss on intangible assets	**48,647**	72,531
Impairment loss on trade receivable	**1,183**	–
	102,866	72,531

6. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on:		
– bank and other borrowings wholly repayable within five years	**13,524**	24,174
– finance leases	**1,213**	2,413
	14,737	26,587

7. LOSS BEFORE TAX

	2007	2006
	HK$'000	*HK$'000*
Loss has been arrived at after charging (crediting):		
Product development expenditure, including staff costs capitalised referred to below	**11,074**	62,910
Less: Amount capitalised	**–**	(50,609)
	11,074	12,301
Directors' emoluments	**6,223**	10,287
Other staff costs	**21,925**	42,261
Share based payment of other employees	**2,558**	–
Total employee benefits expense	**30,706**	52,548
Less: Amount capitalised in product development expenditure	**–**	(15,310)
Total employee benefits expense charged to consolidated income statement	**30,706**	37,238
Amortisation of intangible assets (Included in administrative expenses)	**20,400**	30,400
Auditor's remuneration	**1,855**	1,744
Cost of inventories recognised as an expense	**1,057,782**	1,707,920
Depreciation of property, plant and equipment	**27,118**	25,925
Loss (gain) on disposal of property, plant and equipment	**2,160**	(100)
Net foreign exchange losses (gains)	**434**	(971)

8. INCOME TAX EXPENSE (CREDIT)

	2007	2006
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Overseas income tax for the year	**665**	770
Deferred taxation credit	**–**	(6,155)
	665	(5,385)

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year. Overseas income tax is calculated at the rates prevailing in the relevant jurisdictions.

9. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2007 and 2006.

10. LOSS PER SHARE

The loss per share is calculated based on the loss attributable to equity holders of the Company of HK$385,809,000 (2006: HK$349,592,000) and on the weighted average number of 677,752,455 (2006: 369,185,691) shares in issue during the year.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the years ended 31 December 2007 and 2006 have been retrospectively adjusted for the effect of the rights issue completed in the current year.

Diluted loss per share is not presented as the exercise of the outstanding share options of the Company would result in a decrease in loss per share.

11. TRADE, BILLS AND OTHER RECEIVABLES

	2007	2006
	HK$'000	*HK$'000*
Trade and bills receivables	**6,730**	17,983
Less: allowance for doubtful debts	**(1,183)**	–
	5,547	17,983
Other receivables	**6,162**	11,375
	11,709	29,358

The Group allows an average credit period of 90 days to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts at the reporting date:

	2007	2006
	HK$'000	*HK$'000*
0 - 30 days	**279**	6,743
31 - 60 days	**41**	6,504
61 - 90 days	**4,550**	4,002
Over 90 days	**677**	734
	5,547	17,983

12. TRADE RECEIVABLE WITH INSURANCE COVERAGE

The Group allows an average credit period of 90 days to its trade customers. The following is an aged analysis of trade receivable with insurance coverage at the reporting date:

	2007	2006
	HK$'000	*HK$'000*
0 - 30 days	**34,086**	63,190
31 - 60 days	**74,912**	15,227
61 - 90 days	**35,588**	905
	144,586	79,322

13. BILLS RECEIVABLE DISCOUNTED WITH FULL RECOURSE

The Group allow an average credit period of 90 days to its trade customers. The following is an aged analysis of bills receivable discounted with full recourse at the reporting date:

	2007	2006
	HK$'000	*HK$'000*
0 - 30 days	**12,086**	57,138
31 - 60 days	**17,123**	60,341
61 - 90 days	**1,600**	10,670
	30,809	128,149

14. TRADE AND OTHER PAYABLES

	2007	2006
	HK$'000	*HK$'000*
Trade payables	**205,579**	262,019
Other payables and accrued charges	**91,135**	57,212
	296,714	319,231

The following is an aged analysis of trade payable at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
0 - 30 days	**49,978**	85,695
31 - 60 days	**54,593**	59,299
61 - 90 days	**49,882**	57,894
Over 90 days	**51,126**	59,131
	205,579	262,019

QUALIFIED OPINIONS EXTRACTED FROM THE AUDITOR'S REPORT

The auditor's report on the Group's financial statements for the year ended 31 December 2007 contains disclaimer opinions which are extracted as follows.

"Basis for disclaimer of opinion

We have considered the adequacy of the disclosures made in note 37 to the consolidated financial statements concerning the possible outcome of legal proceedings involving the Company and its three directors and a former director in connection with a claim filed by a substantial shareholder, Uniden Hong Kong Limited ("Uniden HK"), and its ultimate holding company (collectively the "Uniden Group") in relation to the alleged misrepresentations made by the Company and its three directors and a former director, the breach of a business alliance agreement and a master production agreement. The Uniden Group sought, inter alia, (i) a rescission of the subscription agreement, pursuant to which Uniden HK acquired 82,000,000 new shares in the Company, and the consequential return of the relevant subscription money of HK$143,500,000; (ii) damages for misrepresentation or branch of warranty; (iii) damages for breach of the business alliance agreement and the master production agreement; and (iv) the legal costs of this action, plus interest. The directors of the Company strongly refute and intend to vigorously contest Uniden's allegations, and are of the opinion, having taken legal advice, that the action can be successfully defended. However, there is uncertainty as to whether the above action can be successfully defended and accordingly, there may be a potential significant impact on the financial performance and position of the Group.

In addition, as set out in note 2 to the consolidated financial statements, the Group incurred a loss for the year of approximately HK$386 million (2006: HK$350 million), and the Group's consolidated net liabilities as at 31 December 2007 was approximately HK$274 million (2006: HK$39 million). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the extent and potential impact of the significant uncertainties described above, we disclaim our opinion in these respects for the years ended 31 December 2006 and 2007.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of the Group's affairs as at 31 December 2007 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance."

CHAIRMAN'S STATEMENT

Introduction

The results for the year 2007 were very disappointing. The first half of the year 2007 saw the Company's cost reduction programme continue to deliver results. Selling and distribution expenses were down 7.1% and administrative expenses were reduced by 16.2% as compared to the same period in 2006. With a renewed focus on the profitability of individual products rather than the absolute level of sales or current market share, gross profit was increased by 2.2%. However, the manufacturing environment in Mainland China, particularly in the Guangdong Province, became increasingly challenging through the second half of the year 2007, with the cost of producing goods rising substantially. Significant increases in labour costs, a 7.3% appreciation of the RMB, and unprecedented commodity price increases affecting the cost of raw materials, were coupled with operational difficulties in effecting the move from our high cost Shenzhen facility to a lower-cost manufacturing base in Meizhou. These factors had a serious impact on the Company's performance for the full year. Total sales for the year ended 31 December 2007 was HK$1,116 million, which was 36.8% less than the corresponding figure for the year ended 31 December 2006, which had a negative impact on the Company's cash flow and required us to raise new capital through (i) two rights issues in the proportion of one rights share for every two existing shares held on 3 January 2007 at HK$0.3 per rights share and in the proportion of three rights shares for every ten existing shares held on 8 August 2007 at HK$0.38 per rights share respectively; (ii) placing and top-up of which 61,460,000 new shares were issued at a price of HK$0.39 per new share to a substantial shareholder in September 2007; and (iii) a placing of the convertible notes in an aggregate principal amount of HK$67.9 million of which a total of 679,000,000 new conversion shares will be issued upon full conversion of the convertible notes at HK$0.1 per conversion share.

Operating Performance

The European market for consumer electronic products was generally weak in 2007 and as a result became extremely competitive and price sensitive. Nevertheless, there was continuing demand for our core products, the DECT residential cordless telephones, remains strong, and our customer base includes some of the world's leading multi-service communications providers.

However, forecast sales of Bluetooth products, videophone products and cordless telephone products incorporating multimedia services were not realised, as telecom network operators experienced lower than expected demand. The Board has therefore decided to recognise further provisions among certain product ranges. The loss for the year ended 31 December 2007 was arrived at after charging impairment losses on assets of HK$313 million. This charge is made up of four items including impairment loss on trade and other receivables from a jointly controlled entity of HK$210 million, impairment loss on property, plant and equipment of HK$53 million, impairment loss on intangible assets of HK$49 million and impairment loss on trade receivable of HK$1 million.

Sales in 2007 were down 36.8% over 2006. However, the average selling price showed a slight improvement of 0.8%. Gross profit fell from 6.2% in the first half to 3.8% in the second half of the year 2007, resulting in 5.2% for the full year. An increase of 62.5% as compared to the corresponding figure for 2006.

Had we factored out all the non-cash items such as depreciation, amortisation and impairment charges referred to above, the loss for the year 2007 would have been HK$26 million and net cash from operations was HK$9.3 million.

In light of the Company's continuing struggle to secure an effective solution to its high manufacturing costs and with very challenging conditions facing businesses worldwide, the Board is currently reviewing a range of strategic options to streamline the operations, reduce the cost base, improve the liquidity and restore the profitability.

Prospect

Though the result of 2007 is still disappointing, the Company continues to put in place stringent cost cutting measures to keep the overheads at a minimum. In order to preserve cash and liquidity of the Company, the Board will continue to take a prudent and risk aversive approach in managing the financial affairs of the Group with a view to turn the Company back to profitability as soon as possible.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the year ended 31 December 2007, the Group recorded a turnover of approximately HK$1,116 million which represents a decrease of 36.8% as compared to the corresponding figure for the year ended 31 December 2006. The gross profit for the year under review was approximately HK$58 million as compared to approximately HK$57 million for the previous year. Our operating profit was negatively impacted due to the ever increasing in operating costs in Shenzhen area.

Finance costs decreased by 44.6% to HK$15 million, due mainly to the drop in turnover during the year.

Segmental Information

Turnover by Product

	2007		2006	
	HK$ million	*%*	*HK$ million*	*%*
DECT	**821**	**73.6**	1,724	97.7
VoIP	**274**	**24.5**	–	–
Cordless telephone	**–**	**–**	1	–
Corded telephone	**8**	**0.7**	19	1.1
Others	**13**	**1.2**	21	1.2
Total	**1,116**	**100**	1,765	100

All of the Group's turnover and contribution to results were derived from the design, manufacture and sale of telephones and related equipment. Our existing product range includes corded telephones, VoIP, DECT and other telecom products. DECT products accounted for approximately 73.6% of our turnover for the year under review, down from 97.7% in the previous year. During 2007, sales of VoIP amounted to 24.5%, sales of corded telephones amounted to 0.7% and sales of other telephone products amounted to 1.2% of the Group's turnover.

Our customer base continues to comprise prime telecom operating companies and telecom product distributors in Europe and Asia Pacific. Customers in European countries accounted for approximately HK$1,025 million and in Asia Pacific region and other countries accounted for approximately HK$91 million of the Group's turnover respectively.

Balance Sheet

Liquidity and Financial Resources

	2007	2006
	HK$'000	*HK$'000*
Current assets	**243,527**	439,874
Current liabilities	**520,197**	611,848
Current ratio	**0.47**	0.72

The decrease in current ratio was mainly due to the impairment loss recognized on trade and other receivables from a jointly controlled entity.

As at 31 December 2007, the Group had cash on hand of HK$12 million, net current liabilities of approximately HK$277 million, total assets of HK$249 million and shareholders' deficit of approximately HK$274 million.

Among current assets, total trade receivables decreased 19.7% to HK$181 million with trade receivables with insurance coverage increasing 82.3% to HK$145 million in comparing with the previous year.

As of 31 December 2007, total bank borrowings has been decreased by HK$62 million from the end of 2006.

	2007	2006
	HK$'000	*HK$'000*
Trust receipt loans	**25,400**	23,527
Finance lease obligations	**10,119**	29,082
Advances drawn on trade receivables with insurance coverage	**132,294**	79,726
Advances drawn on bills receivables discounted with full recourse	**30,809**	128,149
Total bank borrowings	**198,622**	260,484

Gearing Ratio

	2007	2006
	HK$'000	*HK$'000*
Total assets	**249,150**	585,609
Total bank borrowings	**198,622**	260,484
Ratio of bank debt to total assets	**79.7%**	44.5%

No debt to equity ratio is available as the Group is in a negative equity position.

Capital Structure

During the year ended 31 December 2007, 128,788 new shares were issued at exercise price of HK$0.286 per share upon the exercise of share options by options holder.

On 11 December 2006, the Company announced a proposed rights issue in the proportion of one rights share for every two shares in the share capital of the Company held on 3 January 2007. The rights issue was completed in 26 January 2007 and the Company issued a total sum of 204,871,830 new shares at the subscription price of HK$0.3 per rights share which successfully raised approximately HK$61.5 million before expenses.

On 26 June 2007, the Company announced a proposed rights issue in the proportion of three rights shares for every ten shares in the share capital of the Company held on 8 August 2007. The rights issue was completed on 31 August 2007 and the Company issued a total sum of 184,384,647 new shares at the subscription price of HK$0.38 per rights share which successfully raised approximately HK$70.1 million before expenses.

On 13 September 2007, the Company announced that the Company, Suncorp Partners Limited ("SPL") and SBI E2-Capital Asset Management Limited entered into a placing and subscription agreement whereby (i) SPL agreed to sell, and SBI E2-Capital Asset Management Limited agreed to purchase, 100,000,000 shares at the price of HK$0.39 per share; and (ii) the Company has agreed to issue, and SPL has agreed to subscribe for, 61,460,000 new shares at the price of HK$0.39 per subscription share. The placing of 61,460,000 new shares was completed on 20 September 2007 which successfully raised approximately HK$24 million before expenses.

On 18 December 2007, the Company announced that the Company and SBI E2-Capital (HK) Limited entered into the placing agreement dated 13 December 2007 whereby the Company conditionally agreed to place, through on a best efforts basis, the convertible notes in the aggregate principal amount of up to HK$100 million. On 31 March 2008, the Company announced that the placing of the convertible notes in an aggregate principal amount of HK$67.9 million was completed on 28 March 2008 in accordance with the terms of the said placing agreement. The convertible notes in an aggregate principal amount of HK$67.9 million have been placed by SBI E2-Capital (HK) Limited, on best effort basis, to not less than 6 independent placees who are professional and institutional investors and are independent third parties (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")). Upon full conversion of the convertible notes at HK$0.10 per conversion share, a total of 679,000,000 new conversion shares will be issued.

Exchange Rate

All sales in the current year were in US dollars and the majority of the Group expense was in EURO, RMB and HK dollars. The appreciation of RMB on the other hand also had a negative impact on our cost structure. The Group studied and discussed with its banks the possibility of hedging against the RMB, but ultimately decided against this as the premium was considered too expensive. The Group does not speculate in currencies.

All bank borrowings of the Group were mainly made in HK dollars, US dollars, GBP and carried interest at fixed-rate except the trust receipt loans which carried interest at variable rates.

Investments

The Group did not make any significant investments during the year under review.

Contingent Liabilities

On 28 February 2007, the Company was served with an Amended Writ issued and filed by Uniden Corporation ("Uniden") and Uniden HK on 1 February 2007 against the Company, SPL and the Company's three Directors and a former Director, alleging that certain misrepresentations had been made by the Company and its three Directors and a former Director, and that the Company had breached the warranties of the subscription agreement, and the terms of the business alliance agreement and the master production agreement. On the basis of these allegations, Uniden sought, inter alia, (i) a recession of the subscription agreement, pursuant to which Uniden HK acquired 82,000,000 new shares in the Company, and the consequential return of the relevant subscription money of HK$143,500,000; (ii) damages for misrepresentation or breach of warranty; (iii) damages for breach of the business alliance agreement and the master production agreement; and (iv) the legal costs of this action, plus interest.

On 6 February 2007 and 20 March 2007, the Company issued announcements, in relation to these legal proceedings and the termination by the Company of the business alliance agreement and the master production agreement. The Company and its three Directors and a former Director strongly refute and intend to vigorously contest Uniden's allegations, and are of the opinion, having taken legal advice, that the action can be successfully defended.

On 2 August 2007, the Company served a defence and a counterclaim against Uniden and Uniden HK for damages of HK$354 million (plus interest) based on the breaches by Uniden and Uniden HK of the terms of the master production agreement and the business alliance agreement. Uniden served its reply and defence to the counterclaim on 13 November 2007. Up to the date of this announcement, the Court has not yet laid down a timetable for the next stages of the proceedings.

In addition, a subsidiary of the Company was named as a defendant in a High Court action and a District Court Civil action in respect of alleged breaches of contractual undertakings for an amount of HK$1,651,830 and HK$674,856, respectively. The subsidiary strongly resists these claims.

In additional to the above, in September 2006, the Group has given financial guarantees to two banks in respect of the credit facilities of HK$56,634,000 granted to Shenzhen Guo Wei Electronics Co., Ltd. ("Guo Wei") for a period of ten months. During the year ended 31 December 2007, the repayment period was extended by the banks to March 2008. As at 31 December 2007, the credit facilities utilised by Guo Wei amounting to approximately HK$950,000 (2006: HK$31,504,000). The relevant bank loans were repaid by Guo Wei in March 2008.

Capital Commitment

As at 31 December 2007, the capital expenditure in respect of acquisition of intangible assets and plant and machinery contracted for but not provided in the financial statements amounted to approximately HK$2,449,000 (2006: HK$1,776,000) and HK$1,061,000 (2006: Nil) respectively.

Employees

The Group's emolument policies are formulated on the performance of employees with reference to the market condition. The Board may exercise its discretion to grant share options to the executive Directors and employees as an incentive to their contribution to the Group. During the year under review, the Group had granted a total of 12,665,000 share options before adjustment for rights issue to the employees in accordance with the share option scheme.

DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2007 (2006: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 10 June 2008 to Wednesday, 11 June 2008, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for attending the forthcoming annual general meeting to be held on Wednesday, 11 June 2008, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:00 p.m. on Friday, 6 June 2008.

AUDIT COMMITTEE

The Audit Committee provides an important link between 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 Dr. HUI Ka Wah Ronnie, Mr. Edward Hungerford MILWARD-OLIVER and Mr. HO Kwan Tat, of which Dr. HUI Ka Wah Ronnie is the chairman. The audited financial statements of the Group for the year ended 31 December 2007 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 financial year of 2007, the Group have applied the principles and complied with the Code of Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules), except for the deviation from Code Provision A.4.1 in respect of the service term of directors.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 financial year of 2007.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to thank our customers, suppliers and staff for their continued support, and to assure shareholders and noteholders that we will work tirelessly to improve the Company's performance.

By Order of the Board
Suncorp Technologies Limited
Dato' Wong Sin Just
Chairman

Hong Kong, 24 April 2008

As at the date of this announcement, the Board comprises four Executive Directors, namely Dato' Wong Sin Just, Mr. Malcolm Stephen Jacobs-Paton, Mr. Leung Shek Kong and Mr. Cheung Chi Wai, one Non-Executive Director, namely Mr. Mak Chee Bun and three Independent Non-executive Directors, namely Dr. Hui Ka Wah Ronnie, Mr. Edward Hungerford Milward-Oliver and Mr. Ho Kwan Tat.