Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

The board of directors (the "**Board**" or "**Directors**") of Suncorp Technologies Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2009 together with the comparative figures in 2008, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Notes	**2009 (Unaudited) *HK$'000***	2008 (Unaudited) *HK$'000* (Restated)
Revenue	2	**22,836**	197,038
Cost of sales		**(19,546)**	(188,592)
Gross profit		**3,290**	8,446
Other income	3	**347**	13,946
Distribution and selling expenses		**–**	(6,370)
Operating expenses		**(8,814)**	(18,956)
Finance costs		**(4,683)**	(4,268)
Loss from operations		**(9,860)**	(7,202)
Fair value change on conversion options embedded in convertible loan notes		**(113,074)**	–
Loss before tax	4	**(122,934)**	(7,202)
Income tax expense	5	**(104)**	–
Loss for the period		**(123,038)**	(7,202)
Other comprehensive expense			
Exchange differences arising on translation of foreign operation		**(5)**	(431)
Total comprehensive expense for the period		**(123,043)**	(7,633)
Loss for the period attributable to:			
Owners of the Company		**(123,038)**	(7,202)
Minority interests		**–**	–
		(123,038)	(7,202)
Total comprehensive expense attributable to:			
Owners of the Company		**(123,043)**	(7,633)
Minority interests		**–**	–
		(123,043)	(7,633)
Loss per share	6		
– Basic (HK cents per share)		**(7.95)**	(0.84)
– Diluted (HK cents per share)		**(7.95)**	(0.84)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2009 (Unaudited) HK$'000	At 31 December 2008 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**5,936**	7,102
Current assets			
Trade, bills and other receivables		**4,162**	6,237
Tax recoverable		**3**	2,060
Bank balances and cash		**4,355**	4,610
		8,520	12,907
Current liabilities			
Trade and other payables	7	**43,835**	41,323
Amounts due to directors		**34,038**	34,283
Conversion options embedded in convertible loan notes		**128,532**	27,490
Obligations under finance leases		**197**	1,597
		206,602	104,693
Net current liabilities		**(198,082)**	(91,786)
Total assets less current liabilities		**(192,146)**	(84,684)
Non-current liabilities			
Convertible loan notes		**33,165**	38,830
Net liabilities		**(225,311)**	(123,514)
Capital and reserves			
Share capital		**167,579**	148,979
Reserves		**(392,890)**	(272,493)
Equity attributable to owners of the Company		**(225,311)**	(123,514)
Minority interests		**–**	–
Total equity		**(225,311)**	(123,514)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2009

1. Basis of preparation and significant accounting policies

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim Financial Reporting".

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial investments that are measured at fair values.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("**new and revised HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Group's financial year beginning on 1 January 2009.

Except as described below, the same accounting polices, presentation and methods of computation have been followed in the these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2008.

HKAS 1 (revised 2007) "Presentation of Financial Statement"
(effective for annual periods beginning on or after 1 January 2009)

HKAS 1 (revised 2007) "Presentation of Financial Statements" has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (revised 2007) "Presentation of Financial Statements" has had no impact on the reported results or financial position of the Group.

Hong Kong Financial Reporting Standard ("**HKFRS**") 8 "Operating Segments"
(effective for annual periods beginning on or after 1 January 2009)

HKFRS 8 is a disclosure standard that requires the identification of operation segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance.

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

HKFRSs (Amendments)	*Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008*[1]
HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2009*[2]
HKAS 27 (Revised 2008)	*Consolidated and Separate Financial Statements*[1]
HKAS 39 (Amendment)	*Eligible Hedged Items*[1]
HKFRS 1 (Amendment)	*Additional Exceptions for First-time Adopters*[3]
HKFRS 2 (Amendment)	*Group Cash-settled Share-based Payment Transactions*[3]
HKFRS 3 (Revised 2008)	*Business Combinations*[1]
HK(IFRIC) – Int 17	*Distributions of Non-cash Assets to Owners*[1]
HK(IFRIC) – Int 18	*Transfers of Assets from Customers*[4]

1 *Effective for annual periods beginning on or after 1 July 2009*

2 *Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate*

3 *Effective for annual periods beginning on or after 1 January 2010*

4 *Effective for transfers on or after 1 July 2009*

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

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

2. Segment information

The chief operating decision-maker of the Group has been identified as the senior management lead by the general manager. The management reviews the Group's internal reporting in order to assess performance and allocate resources. The management has determined the operating segments based on these reports.

The management considers the Group conduct its business within one business segment – the business of assembly services of telephones and related products in the People's Republic of China (the "**PRC**") and the Group also operates within one geographical segment because its revenues are primarily generated from and its assets are located in the PRC.

	Revenue Six months ended 30 June		**Segment profit Six months ended 30 June**	
	2009	2008	**2009**	2008
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)
Assembly of telephones and related equipment	**22,836**	197,038	**3,290**	8,446
Segment profit			**3,290**	8,446
Other income				
– Gain on disposal of property, plant and equipment			**–**	13,700
– Interest income			**100**	246
– Sundry income			**247**	–
Distribution and selling expenses			**–**	(6,370)
Operating expenses			**(8,814)**	(18,956)
Finance costs			**(4,683)**	(4,268)
Fair value change on conversion options embedded in convertible loan notes			**(113,074)**	–
Loss before tax			**(122,934)**	(7,202)

3. Other income

	Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Gain on disposal of property, plant and equipment	**–**	13,700
Interest income	**100**	246
Sundry income	**247**	–
	347	13,946

4. Loss before tax

	Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Loss before tax has been arrived at after charging –		
Product development expenditure	**–**	446
Staff costs including directors' remuneration	**2,354**	12,634
Depreciation of property, plant and equipment	**1,232**	880

5. Income tax expense

	Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax		
Under-provision in prior year	**104**	–
Overseas income tax for the year	**–**	–
	104	–

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profit for the period. Overseas income tax is calculated at the rates prevailing in the relevant jurisdictions.

6. Loss per share

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company for the period is based on the following data:

	Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Loss for the purposes of basic loss per share	**(123,038)**	(7,202)
Weighted average number of ordinary shares for the purposes of basic loss per share	**1,547,655,592**	860,588,925

The computation of diluted loss per share for the six months ended 30 June 2009 has not assumed the conversion of convertible loan notes and exercise of share options during the period because their conversion and exercise would reduce the loss per share.

7. **Trade and other payables**

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

	At 30 June 2009	At 31 December 2008
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Over 90 days	**4,680**	4,870

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2009 (2008: Nil).

CHAIRMAN'S STATEMENT

On behalf of the Board of the Company, I present to you the Group's interim report for the six months ended 30 June 2009.

During the period of review, the Group focused on providing assembly services at its subsidiary, Meizhou Guo Wei Electronics Co., Ltd. in Meizhou, the PRC.

For the six months ended 30 June 2009, the Group's turnover amounted to approximately HK$23 million, comparing to HK$197 million reported in the same period of 2008, it was a decrease of approximately 88.4%. Gross profit from operation for the first six months under review was approximately HK$3 million, compared to profit of approximately HK$8 million in the same period of 2008, representing a decrease of 61%. The net loss was approximately HK$123 million, in which approximately HK$116 million was generated from non-operating items, such as fair value change on conversion options embedded in convertible loan notes, and the recognition of the effective interest expenses on the convertible loan notes. Hence, the net loss actually generated from operation was approximately HK$7 million, which was similar to the same period in last year.

Claims made by Uniden Corporation of Japan ("**Uniden Corporation**") and Uniden Hong Kong Limited ("**Uniden HK**") against the Company and certain existing and former Directors were dropped as per the announcement made by the Company on 31 July 2009. All matters in the above case were closed with no payment being made by either party. No further actions and pending in this matter.

The Group invited a new Chairman to the Board in late 2008. The Board has been focusing on measures to restore the business momentum of the Group. The Board considers that its imminent task is to consolidate the Group's operation and to realign its business focus for the efficient use of resources. On the other hand, the Group is looking for new opportunities with a view to broadening its income base and improving its financial performance and overall profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2009, the Group recorded a turnover of approximately HK$23 million which represents a decrease of approximately 88.4% as compared to the corresponding figure for the six months ended 30 June 2008. The gross profit for the period under review was approximately HK$3 million as compared to approximately HK$8 million for the previous period. The loss for the period was mainly caused by:

(i) The fair value in the outstanding three-year 0.5% coupon unsecured convertible bonds in an aggregate principal amount of HK$50 million (the "**Fully Underwritten Bonds**") at 30 June 2009 was changed by HK$113 million; and

(ii) The recognition of the effective interest expense on the convertible loan notes was HK$3 million.

The turnover, gross profit and net loss of the assembly service business in Meizhou for the six months ended 30 June 2009 are set out as below:

	At 30 June 2009 (Unaudited) *HK$'000*
Turnover	**22,836**
Gross profit	**3,290**
Net loss	**(2,022)**

Segmental Information

All of the Group's turnover and contribution to results were derived from the assembly services of telephones and related equipment to the jointly controlled entity.

Liquidity and Financial Resources

The decrease in current ratio from 12% to 4% was mainly due to the conversion options embedded in the convertible loan notes which are included under current liabilities.

At 30 June 2009, the Group had cash on hand of approximately HK$4 million, net current liabilities of approximately HK$198 million, total assets of approximately HK$14 million and shareholders' deficit of approximately HK$225 million.

The Group has no bank borrowings at 30 June 2009 (2008: Nil)

Gearing Ratio

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

Capital Structure

During the six months ended 30 June 2009, no shares were issued upon the exercise of share options by option holders.

On 6 May 2009, the three-year 0.5% coupon convertible notes with principal amount of HK$18,600,000 were converted at the conversion price of HK$0.10 per share, resulting in the issue of 186,000,000 ordinary shares of the HK$0.10 each. All the new shares issued during the period ended 30 June 2009 ranked pari passu with the then existing shares in all respects.

At 30 June 2009, the Company had outstanding Fully Underwritten Bonds in an aggregate principal amount of HK$50,000,000. Upon full conversion of the Fully Underwritten Bonds of HK$0.10 per conversion share, a total of 500,000,000 new conversion shares will be issued.

Exchange Rate

All sales in the current period were denominated in US dollars and RMB, whilst the majority of the Group's expenses were denominated in RMB and HK dollars.

Investments

There were no material acquisitions or disposals of subsidiaries and associated companies during the period.

Contingent Liabilities

Information concerning the claims which are the subject of legal proceedings brought by Uniden Corporation and Uniden HK referred to in the Management Discussion and Analysis can be found in the Company's annual report for the year ended 31 December 2008. On 31 July 2009, the Board announced that the litigation with Uniden Corporation and Uniden HK were settled on 31 July 2009.

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 period under review, no share options had been granted by the Group to the employees in accordance with the share option scheme.

AUDIT COMMITTEE

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the audit of the Company.

The Audit Committee was established in March 2000 with defined written terms of reference which describe the authorities and duties of the Audit Committee. The Audit Committee currently consists of three members, one of whom is the non-executive Director and two of whom are independent non-executive Directors ("**INEDs**") namely Dato' Dr. WONG Sin Just, Dr. HUI Ka Wah Ronnie and Mr. HO Kwan Tat, of which Dr. HUI Ka Wah Ronnie is the chairman. The unaudited financial statements of the Group for the six months ended 30 June 2009 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

The Company is committed to high standards of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal control, transparency, independence and accountability to all shareholders.

Throughout the period, the Group had applied the principles as set out in the Code of Corporate Governance Practices (the "**CG Code**") in Appendix 14 of the Listing Rules, except for the 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 (the "**Model Code**") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transaction. Based on specific enquiry of all the Directors, the Directors have complied with the required standard as set out in the Model Code throughout the period.

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

During the period, there was no purchase, sale or redemption by the Company or any of its subsidiaries 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 bondholders that we will work tirelessly to improve the Company's performance.

By order of the board of
Suncorp Technologies Limited
Zhu Guangping
Chairman and Executive Director

Hong Kong, 15 September 2009

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhu Guangping (Chairman), Mr. Malcolm Stephen Jacobs-Paton and Mr. Cheung Chi Wai, three non-executive Directors, namely Mr. Leung Shek Kong, Dato' Dr. Wong Sin Just and Mr. Song Shufa and three independent non-executive Directors, namely Dr. Hui Ka Wah Ronnie, Mr. Ho Kwan Tat and Mr. Wong Kean Li.