Suncorp

Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 1063)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 together with the comparative figures for the year ended 31 December 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Revenue	3	**178,700**	50,450
Cost of sales		**(164,488)**	(45,760)
Gross profit		**14,212**	4,690
Other income	4	**2,658**	2,216
Distribution and selling expenses		**(12,308)**	–
Operating expenses		**(32,820)**	(31,207)
Impairment loss recognised on trade receivables		**(1,802)**	–
Reversal of impairment loss on trade and other receivables from a jointly controlled entity		**5,139**	–
Fair value change on conversion options embedded in convertible loan notes		**3,914**	(83,294)
Fair value change on convertible notes designated as at fair value through profit or loss		**3,823**	(29,251)
Finance costs	5	**(1,379)**	(8,525)

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Loss before tax		**(18,563)**	(145,371)
Income tax expense	7	**–**	(104)
Loss for the year	6	**(18,563)**	(145,475)
Other comprehensive income			
Exchange differences on translating foreign operations		**169**	121
Total comprehensive income for the year		**(18,394)**	(145,354)
Loss per share	9		
– Basic (HK cents per share)		**(0.72)**	(8.4)
– Diluted (HK cents per share)		**(0.83)**	(8.4)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Non-current assets			
Property, plant and equipment		**9,947**	10,581
Interest in a jointly controlled entity		**–**	–
		9,947	10,581
Current assets			
Trade, bill and other receivables	10	**24,920**	6,458
Trade receivables with insurance coverage	11	**8,554**	–
Trade and other receivables from a jointly controlled entity		**–**	34,392
Bill receivable discounted with full recourse	12	**5,735**	–
Bank balances and cash		**25,361**	9,072
		64,570	49,922
Current liabilities			
Trade and other payables	13	**44,403**	58,611
Advance drawn on bill receivable discounted with full recourse		**5,735**	–
Amounts due to directors		**37,732**	30,926
Amount due to a related company		**–**	28,356
Conversion options embedded in convertible loan notes		**–**	25,079
Convertible notes designated as at fair value through profit or loss		**26,830**	30,516
		114,700	173,488
Net current liabilities		**(50,130)**	(123,566)
Total assets less current liabilities		**(40,183)**	(112,985)

	Notes	2010 HK$'000	2009 HK$'000
Non-current liabilities			
Convertible loan notes		**–**	9,125
Net liabilities		**(40,183)**	(122,110)
Capital and reserves			
Share capital		**273,279**	217,079
Reserves		**(313,462)**	(339,189)
Total equity		**(40,183)**	(122,110)

Notes:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of a net loss of approximately HK$18,563,000 during the year ended 31 December 2010 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$50,130,000. The directors of the Company have been taking active steps to improve the liquidity position of the Group. These steps include (i) undertaking a fund raising transaction during the financial year ended 31 December 2010 and subsequently; and (ii) implementing stringent cost control measures to strengthen its cash flow position; (iii) evaluating alternative sources of financing; and (iv) evaluating new business opportunities. Provided that these measures can successfully improve the liquidity position of the Group, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group in these consolidated financial statements. The application of these new and revised Standards and Interpretations has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

HKAS 1 (Amendments)	Presentation of Financial Statements
HKAS 7 (Amendments)	Statement of Cash Flows
HKAS 17 (Amendments)	Leases
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKAS 28 (Revised 2008)	Investments in Associates
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters
HKFRS 2 (Amendments)	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised 2008)	Business Combinations
HKFRS 5 (Amendments)	Non-current Assets Held for Sale and Discontinued Operations
HKFRS 7 (Amendments)	Financial Instruments: Disclosures
HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK (IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

The Group has not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[6]
HKFRS 9	Financial Instruments[3]
HKAS 24 (as revised in 2009)	Related Party Disclosures[4]
HKAS 32 (Amendments)	Classification of Rights Issues[5]
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[4]
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2013
4 Effective for annual periods beginning on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 February 2010
6 Effective for annual periods beginning on or after 1 July 2011

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may have a significant impact on amounts reported in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity.

The amendments to HKAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those rights issues.

HK (IFRIC) – Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK (IFRIC) – Int 19 will affect the required accounting. In particular, under HK (IFRIC) – Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

3. REVENUE AND SEGMENT INFORMATION

The directors review the Group's internal financial reporting and other information and also obtain other relevant external information in order to assess performance and allocate resources and operating segment is identified with reference to these.

The directors consider that design, manufacture and sale and provision of assembly services of telephones and related equipment is the only major reportable operating segment of the Group. Additional disclosure in relation to segment information is not presented as the directors assess the performance of the only major reportable segment based on the consistent information as disclosed in the consolidated financial statements.

The total net segment income is equivalent to total comprehensive income for the year as shown in the consolidated statement of comprehensive income and the total segment assets and total segment liabilities are equivalent to total assets and total liabilities as shown in the consolidated statement of financial position.

Details of interest income, depreciation in relation to the operating segment are disclosed in Notes 4 and 6 below respectively.

In determining the Group's geographical segments, revenue and results are attributed to the segments based on the location of operation, and assets are attributed to the segments based on the location of the assets. As the Group's major operations are located in the People's Republic of China ("PRC"), no further geographical segment information is provided.

4. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**120**	–
Interest income on bank deposits	**12**	306
Sundry income	**1,905**	1,910
Exchange differences, net	**621**	–
	2,658	2,216

5. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on:		
– bank and other borrowings wholly repayable within five years	**939**	1,845
– finance leases	**–**	15
Effective interest expense on convertible loan notes	**440**	6,665
	1,379	8,525

6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2010	2009
	HK$'000	*HK$'000*
Directors' emoluments	**2,814**	1,340
Other staff costs	**60,074**	36,446
Total employee benefits expense	**62,888**	37,786
Auditors' remuneration	**680**	680
Cost of inventories recognised as an expense	**164,488**	45,760
Depreciation of property, plant and equipment	**3,377**	2,507
(Gain)/loss on disposal of property, plant and equipment	**(120)**	7
Net foreign exchange (gains)/losses	**(621)**	152

7. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax		
Under-provision in prior year	–	104

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (for both years). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	2010	2009
	HK$'000	*HK$'000*
Loss before tax	**(18,563)**	(145,371)
Tax at the domestic income tax rate of 16.5% (2009: 16.5%)	**(3,063)**	(23,986)
Tax effect of expenses not deductible for tax purpose	**2,355**	20,377
Tax effect of income not taxable for tax purpose	**(3,822)**	(1,656)
Utilisation of tax losses previously not recognised	**(49)**	(142)
Tax effect of tax losses not recognised	**5,498**	3,877
Effect of different tax rates of overseas subsidiaries	**(919)**	1,530
Under-provision in prior year	–	104
Tax charge for the year	–	104

At 31 December 2010, the Group had unused tax losses arising in Hong Kong of approximately HK$249,661,000 (2009: HK$232,756,000) available for offset against future profits that may be carried forward indefinitely. At 31 December 2010, the Group also had unused tax losses arising in the PRC of approximately HK$12,000,000 (2009: HK$1,400,000) that will expire in one to five years for offset against future taxable profits. No deferred tax asset has been recognised in respect of the unused tax losses at 31 December 2009 and 2010 due to the unpredictability of future profit streams.

8. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2010 and 2009.

9. LOSS PER SHARE

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

Earnings	**2010**	2009
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share (Loss for the year attributable to equity holders of the Company)	**(18,563)**	(145,475)
Effect of dilutive potential ordinary shares:		
Interest on convertible loan notes	**440**	–
Fair value change on conversion options embedded in convertible loan notes	**(3,914)**	–
Fair value change on convertible notes designated as at fair value through profit or loss	**(3,823)**	–
Loss for the purpose of diluted loss per share	**(25,860)**	(145,475)

Number of shares	**2010**	2009
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,560,830**	1,731,104
Effect of dilutive potential ordinary shares:		
Share options	**–**	–
Convertible loan notes	**542,438**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**3,103,268**	1,731,104

For the year ended 31 December 2010 and 2009, the computation of diluted loss per share did not assume the exercise of the outstanding share options of the Company as these share options have an anti-dilutive effect on the basic loss per share for the year.

For the year ended 31 December 2009, the computation of diluted loss per share did not assume the potential conversion of convertible loan notes which had an anti-dilutive effect on the basis loss per share for the year.

10. TRADE, BILL AND OTHER RECEIVABLES

The Group allows an average credit period from 30 to 75 days to its trade customers. The following is an aged analysis of trade and bill receivables (net of allowance for doubtful debts) at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
0 – 30 days	**8,507**	525
31 – 60 days	**306**	200
61 – 90 days	**217**	30
	9,030	755

11. TRADE RECEIVABLES WITH INSURANCE COVERAGE

The Group allows an average credit period from 30 to 75 days to its trade customers. The following is an aged analysis of trade receivables with insurance coverage at the reporting date:

	2010	2009
	HK$'000	*HK$'000*
0 – 30 days	**882**	–
31 – 60 days	**7,672**	–
	8,554	–

12. BILLS RECEIVABLE DISCOUNTED WITH FULL RECOURSE

The Group allows an average credit period from 30 to 75 days to its trade customers. The following is an aged analysis of bills receivable discounted with full recourse at the reporting date:

	2010	2009
	HK$'000	*HK$'000*
0 – 30 days	**5,735**	–

13. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
0 – 30 days	**495**	–
31 – 60 days	**300**	–
Over 90 days	**4,680**	4,680
	5,475	4,680

14. **EVENTS AFTER THE REPORTING PERIOD**

(i) On 28 February 2011, the Company announced that the directors proposed to implement a capital reorganisation which will involve *inter alia* a reduction in the par value of each issued share from HK$0.10 to HK$0.0001 and a subdivision of each authorised but unissued share into 1,000 new share of HKK$0.0001 each. Such transaction has not been completed as of the date of approval of these financial statements.

(ii) Subsequent to the balance sheet date, on 21 March 2011, two wholly-owned subsidiaries of the Company (namely, Mondial Communications Limited and Suncorp Communications Limited) received two notices of statutory demand from a firm of solicitors for and acting on behalf of a former subsidiary of the Company in liquidation, demanding for payment of HK$91,177,872 due by Mondial Communications Limited and HK$128,785,748 due by Suncorp Communications Limited to the aforesaid former subsidiary. As of the date of approval of these financial statements, the Company is seeking legal and professional advice and will vigorously defend the aforesaid claims.

CHAIRMAN'S STATEMENT

On behalf of the Board of the Company, I present to you the annual report of the Group for the year ended 31 December 2010.

During the year of review, the Group focused on providing assembly services at its subsidiary, Meizhou Guo Wei Electronics Co., Ltd. in Meizhou, the People's Republic of China (the "**PRC**"), and the sales and marketing of residential telephone products under its licence for the Motorola brand.

For the year ended 31 December 2010, the Group's turnover amounted to approximately HK$178.7 million, compared to HK$50.5 million reported in 2009, it was an increase of approximately 254.2%. Approximately 34.8% of the Group's turnover resulted from the provision of assembly services, and the remaining 65.2% from the sales of telephone products. Gross profit from operation for the year under review was approximately HK$14.2 million, compared to a gross profit of approximately HK$4.7 million reported in 2009, representing an increase of approximately 203%. The net loss was approximately HK$18.6 million, in which approximately an income of HK$7.7 million was generated from non-operating items, such as fair value change on derivative financial instruments, the recognition of the effective interest expenses on the convertible loan notes and other non-recurring expenses.

In an effort to broaden our income base and to improve our financial performance, I am pleased to announce that Motorola has selected the Company as its exclusive licensee for corded and cordless telephone for residential and office in Europe, Russian Federation, Middle East, Africa and Asia (including China, India, South East Asia and Australia). The Group has changed its activities to include design, sales and marketing activities of telephone products under the Motorola brand in the above territories. The prospects for this activity are good and provide a positive addition to the Group's assembly service. The Board would continue to explore business opportunities which could complement the Group's current telephone related business.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 December 2010, the Group recorded a turnover of approximately HK$178.7 million which represents an increase of 254.2% as compared to the corresponding figure for the year ended 31 December 2009. The gross profit for the year under review was approximately HK$14.2 million as compared to approximately HK$4.7 million for the previous year.

During the year, the Group focused on providing assembly services at its subsidiary, Meizhou Guo Wei Electronics Co., Ltd. in Meizhou in the PRC, and the sales and marketing of residential telephone products under its licence for the Motorola brand. The turnover and gross profit for the year ended 31 December 2010 are set out as below:-

	As at 31 December, 2010	
	Business under Motorola brand	**Meizhou Guo Wei**
	HK$'000	*HK$'000*
Turnover	116,570	62,130
Gross Profit / (loss)	18,569	(4,357)

SEGMENTAL INFORMATION

The Directors consider that the design, manufacture and sale and provision of assembly services of telephones and related equipment is the only major reportable operating segment of the Group. Additional disclosure in relation to segment information is not presented as the Directors assess the performance of the only major reportable segment based on the consistent information as disclosed in the consolidated financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

The increase in current ratio from 28.8% to 56.3% was mainly due to the increase in trade and bills receivable, bank balance and cash under current assets, and the decrease in the conversion options embedded in the convertible loan notes under current liabilities.

As at 31 December 2010, the Group had cash on hand of approximately HK$25.4 million, net current liabilities of approximately HK$50.1 million, total assets of approximately HK$74.5 million and shareholders' deficit of approximately HK$40.2 million.

The Group has HK$5.7 million bank borrowings as at 31 December 2010 (2009: Nil)

CAPITAL STRUCTURE

During the year ended 31 December 2010, no shares were issued upon the exercise of share options by option holders.

The movements of the convertible bonds during the year ended 31 December 2010 are set out below:

Description	Allotment Date	No. of new conversion shares issued during the year 2010	Total issued shares after conversion
Opening balance as at 1 January 2010			2,170,788,925
Three-year 0.5% coupon unsecured convertible bonds in an aggregate amount of HK$50,000,000 (a)	29 March 2010	125,000,000	2,295,788,925
Three-year 0.5% coupon	29 March 2010	2,000,000	2,297,788,925
unsecured convertible notes	14 April 2010	268,000,000	2,565,788,925
in an aggregate principal	16 April 2010	57,000,000	2,622,788,925
amount of HK$26,200,000 (b)	4 May 2010	43,000,000	2,665,788,925
and HK$70,000,000 (c) respectively	28 June 2010	15,000,000	2,680,788,925
	15 July 2010	50,000,000	2,730,788,925
	29 July 2010	2,000,000	2,732,788,925

(a) As at 31 December 2010, the convertible bonds had been fully converted into conversion shares.

(b) As at 31 December 2010, the Company had HK$500,000 outstanding convertible notes (to be converted at the conversion price of HK$0.10 per share) under the three year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$26,200,000 due 2012. Upon full conversion of the bonds, a total of 5,000,000 new conversion shares will be issued.

(b) As at 31 December 2010, the Company had HK$40,000,000 outstanding convertible notes (to be converted at the conversion price of HK$0.10 per share) under the three year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$70,000,000 due 2013. Upon full conversion of the bonds, a total of 400,000,000 new conversion shares will be issued.

EXCHANGE RATE

All sales in the current year were denominated in RMB and USD, 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 year.

CONTINGENT LIABILITIES

On 28 February 2007, the Company was served with an Amended Writ issued and filed by Uniden Corporation ("Uniden") and Uniden Hong Kong Limited ("Uniden HK") on 1 February 2007 against the Company, SunCorp Partners Limited and certain of the Company's existing and former directors, alleging that certain misrepresentations had been made by the Company and certain of its existing and former directors, 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 capital of the Company, and the consequential return of the relevant subscription money of approximately 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 directors of the Company strongly refute and intend to vigorously contest the allegations made by Uniden and Uniden HK, and are of the opinion, having taken legal advice, that the action can be successfully defended.

On 2 August 2007, the Company served a defense and a counterclaim against Uniden and Uniden HK for damages of approximately HK$354,000,000 (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.

On 31 July 2009, the Company announced that the above legal proceedings were settled on 31 July 2009 on terms whereby, amongst other things, (i) all claims brought by Uniden and Uniden HK against the Company, SunCorp Partners Limited and certain of the Company's existing and former directors were dismissed; (ii) all claims brought by the Company against Uniden were dismissed; (iii) no party to the legal proceedings made any payment to any other party to the legal proceedings; and (iv) each party bore its own legal costs and expenses. An order formally dismissing the Court proceedings were made by the Court on 4 August 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 year under review, no share options had been granted by the Group 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 2010 (2009: Nil).

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. HO Kwan Tat and Mr. LO Chi Ming, Anthony, of which Dr. HUI Ka Wah, Ronnie is the chairman. The audited financial statements of the Group for the year ended 31 December 2010 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 2010, the Group had applied the principles as set out in the Code of Corporate Governance Practices (the "**CG Code**") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 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 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 financial year of 2010.

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 bondholders that we will work tirelessly to improve the Company's performance.

By Order of the Board
Suncorp Technologies Limited
Zhu Guangping
Chairman and Executive Director

Hong Kong, 22 March 2011

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhu Guangping (Chairman), Mr. Malcolm Stephen Jacobs-Paton, Mr. Ip Chi Ming and Mr. So Chung Shing and five independent non-executive Directors, namely Dr. Hui Ka Wah Ronnie, JP, Mr. Ho Kwan Tat, Mr. Wong Kean Li, Mr. Lo Chi Ming, Anthony and Ms. Lu Bei Lin.