Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

UNAUDITED INTERIM RESULTS

The board of directors (the "**Board**" or "**Directors**") of Suncorp Technologies Limited (the "**Company**") presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2011 together with the comparative figures in 2010, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Notes	**2011 (Unaudited)** ***HK$'000***	2010 (Unaudited) *HK$'000*
Revenue	2	**106,016**	27,326
Cost of sales		**(102,853)**	(22,201)
Gross profit		**3,163**	5,125
Other income	3	**1,961**	797
Distribution and selling expenses		**(11,200)**	(2,930)
Operating expenses		**(16,097)**	(16,038)
Fair value change on financial assets classified as held for trading		**(1,972)**	–
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	11	**26,333**	(18,964)
Finance costs		**(820)**	(669)
Profit/(loss) before tax		**1,368**	(28,765)
Income tax expense	5	**(2,601)**	–
Loss for the period	4	**(1,233)**	(28,765)
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**405**	22
Total comprehensive income for the period		**(828)**	(28,743)
Loss per share	6		
– Basic (HK cents per share)		**(0.04)**	(1.20)
– Diluted (HK cents per share)		**(0.82)**	(1.20)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2011 (Unaudited) *HK$'000*	At 31 December 2010 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment	8	**12,439**	9,947
Interest in a jointly controlled entity		**–**	–
		12,439	9,947
Current assets			
Trade, bill and other receivables	9	**22,426**	24,920
Trade receivables with insurance coverage		**4,963**	8,554
Bill receivables discounted with full recourse		**11,385**	5,735
Held-for-trading investments		**5,928**	–
Bank balances and cash		**39,636**	25,361
		84,338	64,570
Current liabilities			
Trade and other payables	10	**20,238**	44,403
Advance drawn on bill receivable discounted with full recourse		**11,385**	5,735
Amount due to a jointly controlled entity		**29,998**	–
Amounts due to a former director		**32,080**	37,732
Conversion notes designated as at fair value through profit or loss	11	**397**	26,830
		94,098	114,700
Net current liabilities		**(9,760)**	(50,130)
Net assets/(liabilities)		**2,679**	(40,183)
Capital and reserves			
Share capital	12	**392**	273,279
Reserves		**2,287**	(313,462)
Total equity		**2,679**	(40,183)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to equity holders of the Company						
	Share capital	**Share premium**	**Other capital reserve**	**Translation reserve**	**Share option reserve**	**Accumulated losses**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1January 2010	217,079	358,604	14,945	78	381	(713,197)	(122,110)
Issue of shares upon conversion of convertible loan notes	12,500	18,215	–	–	–	–	30,715
Issue of shares upon conversion of convertible notes designated as at fair value through profit or loss	38,500	24,975	–	–	–	–	63,475
Total comprehensive income for the period	–	–	–	22	–	(28,765)	(28,743)
At 30 June 2010	268,079	401,794	14,945	100	381	(741,962)	(56,663)
At 1 January 2011	**273,279**	**402,725**	**14,945**	**247**	**107**	**(731,486)**	**(40,183)**
Capital reorganisation	**(273,005)**	**–**	**–**	**–**	**–**	**273,005**	**–**
Placing of shares	**118**	**43,572**	**–**	**–**	**–**	**–**	**43,690**
Total comprehensive income for the period	**–**	**–**	**–**	**405**	**–**	**(1,233)**	**(828)**
At 30 June 2011	**392**	**446,297**	**14,945**	**652**	**107**	**(459,714)**	**2,679**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net cash used in operating activities	**(55,364)**	(27,269)
Net cash used in investing activities	**(4,365)**	(289)
Net cash generated from financing activities	**73,686**	49,020
Net increase in cash and cash equivalents	**13,957**	21,462
Effect of foreign exchange rate changes	**318**	(16)
Cash and cash equivalents at the beginning of the period	**25,361**	9,072
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**39,636**	30,518

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 certain financial instruments which are measured at fair values.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards and interpretations ("**new and revised HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The application of the new and revised HKFRSs in the current period has no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 have authorised for issuance and are not yet effective:

HKAS 1 (Amendments)	*Presentation of Items of the Other Comprehensive Income*[1]
HKAS 19 (as revised in 2011)	*Employee Benefits*[2]
HKAS 27 (as revised in 2011)	*Separate Financial Statements*[2]
HKAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*[2]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 13	*Fair Value Measurement*[2]

1 *Effective for annual periods beginning on or after 1 July 2012*

2 *Effective for annual periods beginning on or after 1 January 2013*

The five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. The directors of the Company anticipate that these new or revised standards will be applied in the Group's consolidated financial statements for the financial year ending 31 December 2013. The Company is currently evaluating the impact of the adoption of these five new or revised standards on its financial statements.

2. 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 products 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 condensed consolidated financial statements.

The total net segment income is equivalent to total comprehensive income for the period as shown in the condensed 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 condensed consolidated statement of financial position.

Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

The Group's revenue from external customers by geographical location of the customers and information about its non-current assets by geographical location of assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	Six months ended 30 June		**At 30 June**	At 31 December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Asia	**50,446**	27,326	**12,439**	9,947
Central East	**6,582**	–	**–**	–
Central Europe	**3,055**	–	**–**	–
Eastern Europe	**6,253**	–	**–**	–
Western Europe	**39,680**	–	**–**	–
	106,016	27,326	**12,439**	9,947

Information about major customers

Revenues from customers of corresponding years contributing over 10% of the total sales of the Group are as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Customer A	**27,414**	25,279
Customer B	**11,317**	N/A[1]
Customer C	**11,040**	N/A[1]

[1] The corresponding revenue did not contribute over 10% of the total sales of the Group.

3. Other income

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Interest income on bank deposits	**–**	2
Reversal of allowance for doubtful debts	**1,802**	–
Sundry income	**159**	795
	1,961	797

4. Loss for the period

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging/(crediting):		
Cost of inventories recognised as an expenses	**29,920**	20,461
Depreciation of property, plant and equipment	**1,960**	1,698
Net foreign exchange losses/(gains)	**36**	(757)
Staff costs including directors' remuneration	**24,112**	18,374

5. Income tax expense

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax		
Under-provision in prior year	**2,601**	–
	2,601	–

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

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods. Taxation arising in other jurisdictions 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 owners of the Company is based on the following data:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share (Loss for the period attributable to owners of the Company)	**(1,233)**	(28,765)
Effect of dilutive potential ordinary shares		
– Fair value change on convertible notes designed as at fair value through profit or loss	**(26,333)**	–
Loss for the purpose of diluted loss per share	**(27,566)**	(28,765)

	Six months ended 30 June	
	2011	2010
Number of shares		
Weighted average number of ordinary shares for the purposeof basic loss per share	**2,962,020,935**	2,393,015,444
Effect of dilutive potential ordinary shares		
– Convertible notes loan	**405,000,000**	–
Weighted average number of ordinary shares for the purpose of dilutive loss per share	**3,367,020,935**	2,393,015,444

For the period ended 30 June 2010, the computation of diluted loss per share did not assume the potential conversion of convertible notes which had an anti-dilutive effect on the basic loss per share for the period.

For the period ended 30 June 2011 and 2010, the computation of diluted loss per share did not assume the exercise of the outstanding share options of the exercise price of those options was higher than the average market price for shares for the periods.

7. Dividends

No dividend was paid or proposed during the six months ended 30 June 2011 and 2010.

8. Property, plant and equipment

During the period, the Group spent approximately HK$4,063,000 on additions to machinery and equipment.

9. Trade and other receivables

	At 30 June 2011 (Unaudited) ***HK$'000***	At 31 December 2010 (Audited) *HK$'000*
Trade receivables	**8,838**	16,098
Less : Allowance for doubtful debts	**(5,266)**	(7,068)
	3,572	9,030
Tax reserve certificates	**–**	2,601
Refundable deposit paid for proposed acquisition of subsidiaries	**–**	5,000
Refundable deposit paid for proposed acquisition	**5,000**	–
Other receivables, net of allowance for doubtful debts	**13,854**	8,289
Total trade and other receivables	**22,426**	24,920

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period:

	At 30 June 2011 (Unaudited) ***HK$'000***	At 31 December 2010 (Audited) *HK$'000*
0-30 days	**2,154**	8,507
31-60 days	**285**	306
61-90 days	**1,133**	217
	3,572	9,030

The average credit period on sales of goods is from 30 to 75 days.

10. Trade and other payables

	At 30 June 2011 (Unaudited)	At 31 December 2010 (Audited)
	HK$'000	*HK$'000*
Trade payables	**4,382**	5,475
Other payables and accrued charges	**15,856**	38,928
	20,238	44,403

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

	At 30 June 2011 (Unaudited)	At 31 December 2010 (Audited)
	HK$'000	*HK$'000*
0-30 days	**–**	495
31-60 days	**–**	300
Over 90 days	**4,382**	4,680
	4,382	5,475

11. Convertible notes designated as at fair value through profit or loss

Pursuant to a best effort basis placing agreement dated 16 June 2009 entered into between the Company and Tanrich Capital Limited (as the placing agent), the placing of the three-year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$26,200,000 was completed on 9 October 2009 and the placing of the three-year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$70,000,000 was completed on 19 January 2010. The proceeds from the placing of the convertible notes were intended to be deployed as debt repayment and general working capital.

On 18 December 2009, the convertible notes with principal amount of HK$12,000,000 were converted at the conversion price of HK$0.10 per share, resulting in the issue of 120,000,000 ordinary shares of HK$0.10 each.

On 29 March 2010, the convertible notes with principal amount of HK$200,000 were converted at the conversion price of HK$0.10 per share, resulting in the issue of 2,000,000 ordinary shares of HK$0.10 each.

On 14 and 16 April 2010, the convertible notes with aggregate principal amount of HK$32,500,000 were converted at the conversion price of HK$0.10 per share, resulting in the issue of 325,000,000 ordinary shares of HK$0.10 each.

On 4 May 2010, the convertible notes with principal amount of HK$4,300,000 were converted at the conversion price of HK$0.10 per share, resulting in the issue of 43,000,000 ordinary shares of HK$0.10 each.

On 28 June 2010, the convertible notes with principal amount of HK$1,500,000 were converted at the conversion price of HK$0.10 per share, resulting in the issue of 15,000,000 ordinary shares of HK$0.10 each.

On 15 and 29 July 2010, the convertible notes with aggregate principal amount of HK$5,200,000 were converted at the conversion price of HK$0.10 per share, resulting in the issue of 52,000,000 ordinary shares of HK$0.10 each.

The Group has designated these convertible notes as financial liabilities at fair value through profit or loss because these convertible notes meet the criteria for the category of financial liabilities designated at fair value through profit or loss. The movements of the convertible notes designated as at fair value through profit or loss during the period are as follows:

	HK$'000
Principal amount of the convertible notes issued	70,000
Conversion into shares	(69,606)
Interest payable	(257)
Fair value gain	(3,823)
At 31 December 2010	26,830
Interest payable	(100)
Fair value gain	(26,333)
At 30 June 2011	397

The fair values of the convertible notes designated as at fair value through profit or loss were determined at the date of issue, at each conversion date and at the end of the reporting period using the binomial model by reference to an independent professional valuation. The inputs into the model were as follows:

(i) Placing of the three-year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$26,200,000

Convertible notes designated as at fair value through profit or loss	**At date of issue**	**At date of conversion on 18 December 2009**	**At date of conversion on 29 March 2010**	**At date of conversion on 14 April 2010**	**At date of conversion on 16 April 2010**	**At date of conversion on 4 May 2010**	**At date of conversion on 28 June 2010**	**At date of conversion on 29 July 2010**	**At 31 December 2010**	**At 30 June 2011**
Principal amount of the convertible notes designated as at fair value through profit or loss	HK$26,200,000	HK$12,000,000	HK$200,000	HK$1,800,000	HK$5,700,000	HK$4,300,000	HK$1,500,000	HK$200,000	HK$500,000	HK$500,000
Share price	HK$0.25	HK$0.22	HK$0.24	HK$0.22	HK$0.23	HK$0.21	HK$0.17	HK$0.18	HK$0.12	HK$0.020
Conversion price	HK$0.10	HK$0.10	HK$0.10	HK$0.10	HK$0.10	HK$0.10	HK$0.10	HK$0.10	HK$0.10	HK$0.10
Expected life *(Note (a))*	3 years	2.81 years	2.53 years	2.49 years	2.49 years	2.44 years	2.28 years	2.20 years	1.77 years	1.27 years
Risk-free interest rate *(Note (b))*	0.479%	0.424%	1.189%	1.241%	1.246%	1.198%	0.776%	0.526%	0.586%	0.140%
Expected volatility *(Note (c))*	102.790%	103.285%	102.950%	103.087%	103.213%	103.467%	101.033%	100.446%	99.103%	73.820%
Fair value of the convertible notes designated as at fair value through profit or loss	HK$51,689,000	HK$54,382,000	HK$26,406,000	HK$23,061,000	HK$20,659,000	HK$10,038,000	HK$2,604,000	HK$867,000	HK$310,000	HK$1,000

(ii) Placing of the three-year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$70,000,000

Convertible notes designated as at fair value through profit or loss	**At date of issue**	**At date of conversion on 14 April 2010**	**At date of conversion on 15 July 2010**	**At 31 December 2010**	**At 30 June 2011**
Principal amount of the convertible notes designated as at fair value through profit or loss	HK$70,000,000	HK$25,000,000	HK$5,000,000	HK$40,000,000	HK$40,000,000
Share price	HK$0.24	HK$0.22	HK$0.17	HK$0.12	HK$0.020
Conversion price	HK$0.10	HK$0.10	HK$0.10	HK$0.10	HK$0.10
Expected life *(Note (a))*	3 years	2.77 years	2.52 years	2.05 years	1.55 years
Risk-free interest rate *(Note (b))*	0.977%	1.241%	0.569%	0.586%	0.140%
Expected volatility *(Note (c))*	103.506%	104.617%	102.554%	101.455%	84.103%
Fair value of the convertible notes designated as at fair value through profit or loss	HK$130,356,000	HK$118,015,000	HK$53,067,000	HK$26,520,000	HK$396,000

Notes:

(a) The expected life was the expected remaining life of the respective options.

(b) The risk-free interest rate was determined by reference to the yield of Hong Kong Exchange Fund Note.

(c) The expected volatility was determined by using the historical volatility of the Company's share price over the previous 250 days.

12. Share capital

	Note	Number of ordinary shares	Amount HK$'000
Authorised:			
At 1 January 2011, ordinary shares of HK$0.1 each		5,000,000,000	500,000
Capital reorganisation	(a)	–	(499,500)
At 30 June 2011, ordinary shares of HK$0.0001 each		5,000,000,000	500
Issued and fully paid:			
At 1 January 2011		2,732,788,925	273,279
Capital reorganisation	(a)	–	(273,005)
Placing of shares	(b)	533,157,785	53
Placing of shares	(c)	653,000,000	65
At 30 June 2011		3,918,946,710	392

Note:

(a) The Company implemented a capital reorganisation which involves 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 shares of HK$0.0001 each ("Capital Reduction"). A credit of approximately HK$273,005,000 arose as a result of the Capital Reduction and was transferred to the contributed surplus account of the Company. The Company applied the balance standing to the credit of the contributed surplus account after the Capital Reduction to set off to the same extent the accumulated losses of the Company.

(b) Pursuant to a placing agreement dated 28 April 2011, the Company agreed to sell 533,157,785 shares of the Company at a price of HK$0.055 per share to not less than six independent investors. The placing price of HK$0.055 per share represented a discount of approximately 14% to the closing price of HK$0.064 per share as quoted on the Stock Exchange on 28 April 2011, being the date of the placing agreement, and a discount of approximately 19.12% to the average closing price of HK$0.068 per share as quoted on the Stock Exchange for the five consecutive trading days up to and including 27 April 2011.

(c) Pursuant to a placing agreement dated 14 June 2011, the Company agreed to sell 653,000,000 shares of the Company at a price of HK$0.022 per share to not less than six independent investors. The placing price of HK$0.022 per share represented a discount of approximately 18.52% to the closing price of HK$0.027 per share as quoted on the Stock Exchange on 14 June 2011, being the date of the placing agreement, and a discount of approximately 19.71% to the average closing price of HK$0.0274 per share as quoted on the Stock Exchange for the five consecutive trading days up to and including 14 June 2011.

All the new shares issued during the period ended 30 June 2011 ranked pari passu with the then existing shares in all respects.

13. Related party disclosures

During the six months ended 30 June 2011, the major operating activities of the Group was providing assembly services to a jointly controlled entity HK$18,197,563 (2010: HK$24,290,118) and purchasing of finished telephone & related equipments of HK$72,932,900 (2010: HK$1,740,180)

The transactions disclosed above were entered at terms determined and agreed by the Group and the relevant parties.

14. Events after the end of the interim period

(a) Subsequent to the reporting date on 8 July 2011, the Company proposed to change the board lot size for trading in the shares of the Company from 4,000 shares to 12,000 shares with effect from 2 August 2011 and proposed to implement a share consolidation on the basis that every thirty issued and unissued shares of HK$0.0001 each will be consolidated into one consolidated shares of HK$0.003. Upon the first change in board lot size becoming effective, the Company also proposed to change the board lot size for trading in the shares of the Company from 12,000 shares to 20,000 consolidated shares. Subject to the share consolidation becoming effective, the Company proposed to implement a rights issue on the basis of eighteen rights shares for every consolidated share held on the record date at the subscription price of HK$0.1 per rights share.

(b) Subsequent to the reporting date on 28 July 2011, the Company entered into the Memorandum of Understanding ("MOU") with Universe Sheen Limited ("Vendor"), a company incorporated in British Virgin Islands, in relation to its intention to acquire the entire equity interest of Better Solutions Trading Limited ("Target Company") and its subsidiaries and associates ("Target Group"). The Target Company is incorporated in British Virgin Islands with limited liabilities and the Target Group is principally engage in the sale, distribution and manufacture of products such as party goods, table disposables, carnival felt hats, latex masks and seasonal decorations. Key manufacturing plant of the Target Group is located in Dongguan, China.

(c) Subsequent to the reporting date on 5 August 2011, the Company proposed to increase the authorised share capital of the Company from HK$500,000,000 comprising 5,000,000,000,000 shares to HK$600,000,000 divided into 6,000,000,000,000 shares by creating an additional 1,000,000,000,000 unissued shares.

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2011 (2010: Nil).

DIRECTOR'S STATEMENT

On behalf of the Board of the Company, I present to you the interim report of the Group for the six months ended 30 June 2011.

During the six months 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 six months ended 30 June 2011, the Group's turnover amounted to approximately HK$106.0 million, compared to the same period of HK$27.3 million reported in 2010, there was an increase of approximately 288.0%. 18.2% of the Group's turnover resulted from the provision of assembly services, and 81.8% from sales of telephone products. Gross profit from operation for the year under review was approximately HK$3.2 million, compared to a gross profit of approximately HK$5.1 million reported in 2010, representing a decrease of approximately 38.3%. The net loss was approximately HK$1.2 million, in which approximately HK$26.3 million income was generated from non-operating items, such as fair value change on convertible notes and other non-recurring expenses, such as approximately HK$2 million loss on fair value change on financial assets classified as held for trading.

Motorola Mobility selected the Company last year as its exclusive licensee for the Motorola brand for corded and cordless telephones for residential and office use in Europe, Russian Federation, Middle East, Africa and Asia (including China, India, South East Asia and Australia). The Group has subsequently 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 continue to be good and provide a positive addition to the Group's assembly service. The Board will continue to explore business opportunities which could complement the Group's current telephone related business.

The Group has recently announced the proposed acquisition in a minority interest in a fructose factory and a festive products factory in the PRC. Due diligence on both projects are underway, and appropriate disclosure will be made upon execution of any legally binding agreements. In addition, to make the best use of the Group's cash in hand, the Group started investing in securities at the second quarter of 2011. The Board will continue to seek attractive investment opportunities in order to broaden and improve the income base of the Group.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2011, the Group recorded a turnover of approximately HK$106.0 million which represents an increase of approximately 288.0% as compared to the corresponding figure for the six months ended 30 June 2010. The gross profit for the period under review was approximately HK$3.2 million as compared to approximately HK$5.1 million for the previous period. The net loss for the period was approximately HK$1.2 million.

The turnover, gross loss and net loss of the assembly service business in Meizhou for the six months ended 30 June 2011 are set out as below:-

	At 30 June 2011 **(Unaudited)** ***HK$'000***
Turnover	**19,290**
Gross loss	**(10,630)**
Net loss	**(15,321)**

The turnover, gross profit and net profit of the design, sales and marketing of telephones under Motorola brand for the six months ended 30 June 2011 are set out as below:

	At 30 June 2011 **(Unaudited)** ***HK$'000***
Turnover	**86,726**
Gross profit	**13,793**
Net profit	**3,921**

Segmental Information

In February 2010, Motorola has selected the Company as its exclusive licensee for corded and cordless telephones for residential and office use in Europe, Russian Federation, Middle East, Africa and Asia (including China, India, South East Asia and Australia). The revenue of the assembly of telephones and related equipment to the jointly controlled entity and the design, sales and marketing of telephones is set out in note 2 to the consolidated financial statements.

Liquidity and Financial Resources

The increase in current ratio from 56.3% to 89.6% was mainly due to the increased in Motorola business investment & placing of shares during the period.

At 30 June 2011, the Group had cash on hand of approximately HK$39.6 million, net current liabilities of approximately HK$9.8 million, total assets of approximately HK$96.8 million and shareholders' equity of approximately HK$2.7 million.

The Group has no bank borrowings at 30 June 2011 (2010: Nil)

Gearing Ratio

Debt to equity ratio is 35.1 (2010: Nil).

Capital Structure

During the six months ended 30 June 2011, no shares were issued upon the exercise of (i) share options by the share option holders, and (ii) the convertible bonds 2012 and 2013.

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

Save for the two proposed acquisitions as set out in the announcements dated 24 May 2011 and 28 July 2011 respectively, there were no material acquisitions or disposals of subsidiaries and associated companies during the period.

Contingent Liabilities

Two wholly-owned subsidiaries of the Company, namely Mondial Communications Limited ("MCL") and Suncorp Communications Limited ("SCL") have initially, received two notices of statutory demands dated 10 March 2011 from a firm of solicitors for and acting on behalf of a former subsidiary of the Company (Suncorp Industrial Limited ("SIL") in liquidation), demanding payment of HK$91,177,872 due by MCL and HK$128,785,748 due by SCL to the aforesaid former subsidiary (the "Claims"). The Company has sought legal advice and has vigorously defended against the Claims since then. MCL and SCL received the same statutory demands again dated 19 July 2011 in relation to the Claims. As far as the Directors are aware, the Claims by SIL, in both statutory demands against SCL and MCL in relation to debts which have previously been fully written off or impairment have been made at the books of SCL and MCL at the year ended 31 December 2007, and accordingly there was no such debts in the accounts and records of SCL and MCL at the financial year ended 31 December 2008 with SIL. Based on legal advice sought, the Claims sought have already been fully set-off and there is no solid ground to serve the statutory demands against MCL and SCL. Nonetheless, assuming that the Claims against SCL and MCL could be justified, such

Claims would not have any material adverse effect on the Group as both SCL and MCL are of negative net asset and have no significant revenue for the past financial year and are insignificant subsidiaries whether in terms of asset, revenue or operation within the Group.

Save and except the Claims and an unsubstantiated complaint advanced by the liquidator of SIL against the Company and its directors concerning the operation of SIL before its liquidation, as at the date of this interim report, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

At 30 June 2011, the interests and short positions of the Directors, chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules were as follows:

Long Position

Ordinary shares of HK$0.0001 each of the Company

Name of Director	Number of ordinary shares held		Percentage of the issued share capital of the Company *(Note 1)* *(%)*
	Personal interests	Corporate interests	
Malcolm Stephen JACOBS-PATON	782,343	–	0.02
Ip Chi Ming	44	–	Less than 0.01

Notes:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 3,918,946,710.

Save as disclosed above, at 30 June 2011, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

At 30 June 2011, the register of substantial shareholders maintained pursuant to Section 336 of the SFO showed that other than the interests disclosed in "Directors' and Chief Executive's Interests in Shares", the following shareholder had notified the Company of its relevant interests in the issued capital of the Company.

Long Position

Ordinary shares of HK$0.0001 each of the Company

Name of shareholder	Nature of interests	Number of ordinary shares held *(Note 1)*	Percentage of the issued share capital of the Company *(Note 2)* *(%)*
CNI Capital Limited *(Note 3)*	Corporate interest	274,000,000	6.99%

Notes:

1. The information given above on the number of shares held is based on notifications received by the Company at 30 June 2011.

2. The percentage shareholding is calculated on the basis of the Company's issued share capital of 3,918,946,710.

3. CNI Capital Limited is wholly-owned by Capital VC Limited, a company limited on the Stock Exchange of Hong Kong Limited.

Save as disclosed above, at 30 June 2011, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

SHARE OPTIONS SCHEME

On 23 May 2002, a share option scheme (the "**Share Option Scheme**") was adopted by shareholders under which the Directors may, at their discretion, grant share options to eligible persons including Directors and employees to subscribe shares in the Company.

No share option was granted during the period.

As at 30 June 2011, the number of shares in respect of which share options could be exercisable under the terms of the Share Option Scheme was 397,837 shares representing 0.01% of the shares of the Company in issue at that date.

The following table discloses movements in the Company's share options during the period:

Name	Notes	Date of grant	Exercisable period	Exercise price per share *HK$*	Balance at 1/1/2011	Granted during the period	Exercised during the period	Forfeited during the period	Expired during the period	Balance at 30/6/2011
(A)	**DIRECTORS**									
–	–	–	–	–	–	–	–	–	–	–
Sub-total					–	–	–	–	–	–
(B)	**EMPLOYEES (OTHER THAN DIRECTORS)**									
	1 & 2	25/5/2007	25/5/2007-24/5/2012	0.409	464,409	–	–	66,572	–	397,837
Sub-total					464,409	–	–	66,572	–	397,837
Total					464,409	–	–	66,572	–	397,837

Notes:

1. The share options were granted pursuant to the Share Option Scheme.

2. The share options are exercisable subject to (i) up to 50% of the options are exercisable from 25 May 2007 to 24 May 2008; (ii) all remaining share options are exercisable from 25 May 2008 to 24 May 2012.

GUARANTEES TO AFFILIATED COMPANIES

At 30 June 2011, no guarantees given by the Group to banks in respect of banking facilities granted to any jointly controlled entity.

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, 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 unaudited financial statements of the Group for the six months ended 30 June 2011 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 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 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
Suncorp Technologies Limited
Mr. Ip Chi Ming
Executive Director

Hong Kong, 23 August 2011

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Malcolm Stephen Jacobs Paton, Mr. Ip Chi Ming, Mr. So Chung Shing and Ms. Xiao Yanni and five independent non-executive Directors, namely Dr. Hui Ka Wah Ronnie, JP, Mr. Ho Kwan Tat, Mr. Lo Chi Ming, Anthony, Ms. Lu Bei Lin and Mr. Lee Ho Yiu Thomas.