Suncorp

Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

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 2012 together with the comparative figures in 2011, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Notes	**2012 (Unaudited) *HK$'000***	2011 (Unaudited) *HK$'000*
Revenue	2	**188,878**	106,016
Cost of sales		**(174,001)**	(102,853)
Gross profit		**14,877**	3,163
Other income and gains	3	**785**	1,961
Distribution and selling expenses		**(17,240)**	(11,200)
Operating expenses		**(13,014)**	(16,097)
Fair value change on held-for-trading investments		**(4,736)**	(1,972)
Fair value change on convertible notes designated as at fair value through profit or loss	11	**(1,034)**	26,333
Finance costs		**(626)**	(820)
(Loss)/profit before tax		**(20,988)**	1,368
Income tax expense	5	**–**	(2,601)
Loss for the period	4	**(20,988)**	(1,233)
Other comprehensive (expense)/income			
Exchange differences on translating foreign operations		**(158)**	405
Total comprehensive expense for the period		**(21,146)**	(828)
Loss per share	6		
– Basic (HK cents per share)		**(0.13)**	(0.01)
– Diluted (HK cents per share)		**(0.13)**	(0.25)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2012 (Unaudited) HK$'000	At 31 December 2011 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	8	**9,668**	12,242
Interest in a jointly controlled entity		**–**	–
		9,668	12,242
Current assets			
Trade, bills and other receivables	9	**25,764**	41,430
Trade and other receivables from a jointly controlled entity		**–**	–
Bills receivable discounted with full recourse		**3,331**	14,414
Held-for-trading investments		**11,301**	11,939
Bank balances and cash		**19,721**	11,475
		60,117	79,258
Current liabilities			
Trade and other payables	10	**36,175**	30,665
Advance drawn on bills receivable discounted with full recourse		**3,331**	14,414
Amounts due to former directors		**33,131**	32,609
Trade and other payables to a jointly controlled entity		**38,310**	39,805
Convertible notes designated as at fair value through profit or loss	11	**39,410**	38,477
		150,357	155,970
Net current liabilities		**(90,240)**	(76,712)
Total assets less current liabilities		**(80,572)**	(64,470)
Capital and reserves			
Share capital	12	**470**	392
Reserves		**(81,042)**	(64,862)
Total equity		**(80,572)**	(64,470)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to owners of the Company							
	Share capital	**Share premium**	**Contributed surplus**	**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$'000*	*HK$'000*
At 1 January 2011	273,279	402,725	–	14,945	247	107	(731,486)	(40,183)
Loss for the period	–	–	–	–	–	–	(1,233)	(1,233)
Other comprehensive income for the period	–	–	–	–	405	–	–	405
Total comprehensive income/(expense) for the period	–	–	–	–	405	–	(1,233)	(828)
Capital reduction	(273,005)	–	273,005	–	–	–	–	–
Reduction of contributed surplus	–	–	(273,005)	–	–	–	273,005	–
Issue of shares by way of placing	118	43,572	–	–	–	–	–	43,690
At 30 June 2011	392	446,297	–	14,945	652	107	(459,714)	2,679
At 1 January 2012	**392**	**446,297**	**–**	**14,945**	**(2)**	**92**	**(526,194)**	**(64,470)**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(20,988)**	**(20,988)**
Other comprehensive expense for the period	**–**	**–**	**–**	**–**	**(158)**	**–**	**–**	**(158)**
Total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(158)**	**–**	**(20,988)**	**(21,146)**
Issue of shares by way of placing	**78**	**4,966**	**–**	**–**	**–**	**–**	**–**	**5,044**
At 30 June 2012	**470**	**451,263**	**–**	**14,945**	**(160)**	**92**	**(547,182)**	**(80,572)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net cash generated from/(used in) operating activities	**9,301**	(55,364)
Net cash generated from/(used in) investing activities	**6,164**	(4,365)
Net cash (used in)/generated from financing activities	**(7,012)**	73,686
Net increase in cash and cash equivalents	**8,453**	13,957
Effect of foreign exchange rate changes	**(207)**	318
Cash and cash equivalents at the beginning of the period	**11,475**	25,361
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**19,721**	39,636

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

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 on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with Hong Kong Accounting Standard 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 financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group have applied, for the first time, amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants which are effective for the financial year beginning on 1 January 2012.

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

The Group has not early applied the following amendments to HKFRSs that have been issued after the date the consolidated financial statements for the year ended 31 December 2011 were authorised for issuance and are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009–2011 cycle [1]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance [1]

[1] Effective for annual periods beginning on or after 1 January 2013

The directors of the Company anticipate that the application of these amendments to HKFRSs will have no material impact on the condensed consolidated financial statements.

2. Revenue and segment information

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

The Company's 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. Operating segment is identified with reference to these.

The Company's directors consider that the telephones and related equipment business is the sole reportable operating segment of the Group. Additional disclosure in relation to segment information is not presented as the directors assess the performance of the sole 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 information

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
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Asia	**109,088**	50,446	**9,668**	12,242
Africa	**2,337**	–	**–**	–
Middle East	**6,083**	6,582	**–**	–
Central Europe	**866**	3,055	**–**	–
Eastern Europe	**4,150**	6,253	**–**	–
Western Europe	**66,354**	39,680	**–**	–
	188,878	106,016	**9,668**	12,242

Information about major customers

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

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Customer A	**51,413**	27,414
Customer B	**N/A**[1]	11,317
Customer C	**25,268**	11,040
Customer D	**31,005**	N/A[1]
Customer E	**19,356**	N/A[1]

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

3. Other income and gains

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**501**	–
Interest income on bank deposits	**2**	–
Reversal of impairment loss recognised on trade receivables	**–**	1,802
Sundry income	**282**	159
	785	1,961

4. Loss for the period

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging:		
Cost of inventories recognised as an expense	**133,234**	73,430
Depreciation of property, plant and equipment	**1,712**	1,960
Net foreign exchange losses	**24**	36
Staff costs including directors' remuneration	**33,076**	24,112

5. Income tax expense

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Under provision in prior year		
– Hong Kong Profits Tax	**–**	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).

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	
	2012	2011
	HK$'000	*HK$'000*
Loss		
Loss for the purposes of basic loss per share (Loss for the period attributable to owners of the Company)	**(20,988)**	(1,233)
Effect of dilutive potential ordinary shares:		
Fair value change on convertible notes designated as at fair value through profit or loss	**–**	(26,333)
Loss for the purposes of diluted loss per share	**(20,988)**	(27,566)

	Six months ended 30 June	
	2012	2011
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**156,060,128**	98,734,031
Effect of dilutive potential ordinary shares:		
Share options	**–**	–
Convertible loan notes	**–**	13,500,000
Weighted average number of ordinary shares for the purpose of diluted loss per share	**156,060,128**	112,234,031

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share had been retrospectively adjusted for the share consolidation which took place on 15 September 2011.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for the period ended 30 June 2012 and 2011.

For the period ended 30 June 2012, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible loan notes since their exercise would result in a decrease in loss per share.

7. Dividends

No dividend was paid or proposed during the six months ended 30 June 2012 and 2011.

8. Property, plant and equipment

During the period, the Group disposed of certain plant and machinery with a carrying amount of approximately HK$3,449,000 for cash proceeds of approximately HK$3,950,000, resulting in a profit of disposal of approximately HK$501,000. In addition, the Group spent approximately HK$1,600,000 on additions to leasehold improvements.

9. Trade, bills and other receivables

	At 30 June 2012	At 31 December 2011
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade and bills receivables	**15,797**	25,031
Less: Allowance for doubtful debts	**(5,266)**	(5,266)
	10,531	19,765
Refundable deposit paid for proposed acquisitions	**5,000**	10,000
Deposits, prepayments and other receivables	**10,233**	11,665
Total trade, bills and other receivables	**25,764**	41,430

The Group allows an average credit period of 60 days to its trade customers. The following is an aged analysis of trade and bills receivables (net of allowance for doubtful debts) at the end of the reporting period:

	At 30 June 2012 (Unaudited) *HK$'000*	At 31 December 2011 (Audited) *HK$'000*
0-30 days	**7,171**	16,012
31-60 days	**353**	2,552
61-90 days	**3,007**	1,201
	10,531	19,765

10. Trade and other payables

	At 30 June 2012 (Unaudited) *HK$'000*	At 31 December 2011 (Audited) *HK$'000*
Trade payables	**7,010**	4,686
Other payables and accrued charges	**29,165**	25,979
	36,175	30,665

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

	At 30 June 2012 (Unaudited) *HK$'000*	At 31 December 2011 (Audited) *HK$'000*
0-30 days	**1,377**	–
31-60 days	**936**	–
61-90 days	**11**	–
Over 90 days	**4,686**	4,686
	7,010	4,686

The average credit period on purchase of goods is 60 days.

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

Pursuant to a best effort basis placing agreement dated 16 June 2009, 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.

The following conversions occurred since the date of issue:

- 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 as 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
At 1 January 2011	26,830
Interest payable	(203)
Fair value loss	11,850
At 31 December 2011	38,477
Interest payable	(101)
Fair value loss	1,034
At 30 June 2012	39,410

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 by reference to an independent professional valuation which involves the use of the binomial model. The inputs into the model were as follows:

(i) Three-year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$26,200,000 due on 8 October 2012

	At 30 June 2012
Outstanding principal amount at 30 June 2012	**HK$500,000**
Share price	**HK$0.19**
Adjusted conversion price	**HK$3.00**
Expected life *(Note (a))*	**0.27 year**
Risk-free interest rate *(Note (b))*	**0.080%**
Expected volatility *(Note (c))*	**86.763%**
Fair value at 30 June 2012	**HK$493,000**

(ii) Three-year 0.5% coupon unsecured convertible notes in an aggregate principal amount of HK$70,000,000 due on 18 January 2013

	At 30 June 2012
Outstanding principal amount at 30 June 2012	**HK$40,000,000**
Share price	**HK$0.19**
Adjusted conversion price	**HK$3.00**
Expected life *(Note (a))*	**0.55 year**
Risk-free interest rate *(Note (b))*	**0.110%**
Expected volatility *(Note (c))*	**108.876%**
Fair value at 30 June 2012	**HK$38,917,000**

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 same period as the expected life.

12. Share capital

	Note	**Number of ordinary shares**	**Amount** *HK$'000*
Authorised:			
At 1 January 2012 and at 30 June 2012, ordinary shares of HK$0.003 each		200,000,000,000	600
Issued and fully paid:			
At 1 January 2012		130,631,557	392
Issue of shares by way of placing in January 2012	(a)	26,000,000	78
At 30 June 2012		156,631,557	470

Note:

(a) Pursuant to a placing agreement dated 23 December 2011, the Company allotted and issued 26,000,000 new shares of HK$0.003 each in the capital of the Company at a price of HK$0.2 per share by way of placing.

13. Capital commitments

	At 30 June 2012 (Unaudited) *HK$'000*	At 31 December 2011 (Audited) *HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but for provided in the condensed consolidated financial statements	**–**	640

14. Related party disclosures

During the six months ended 30 June 2012, the Group provided assembly services to a jointly controlled entity for approximately HK$14,199,000 (2011: HK$18,198,000) and purchased finished telephone & related equipment from the jointly controlled entity for approximately HK$129,141,000 (2011: HK$72,933,000)

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

15. Events after the end of the interim period

Subsequent to the end of the reporting period, on 27 July 2012, the Company allotted and issued 31,320,000 ordinary shares of HK$0.003 each in the capital of the Company at a price of HK$0.179 per share by way of placing.

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2012 (2011: Nil).

DIRECTOR'S STATEMENT

On behalf of the Board of the Company, I present to you the interim report of the Group for the period ended 30 June 2012.

During the six months of review, the Group continued 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 2012, the Group's turnover amounted to approximately HK$188.9 million, compared to the same period of HK$106.0 million reported in 2011, it was an increase of approximately 78.2%. Approximately 19.7% of the Group's turnover resulted from the provision of assembly services, and 80.3% from sales of telephone products. Gross profit from operation for the year under review was approximately HK$14.9 million, compared to a gross profit of approximately HK$3.2 million reported in 2011, representing an increase of approximately 370.3%. The net loss was approximately HK$21.1 million, in which approximately a loss of HK$5.8 million was generated from non-operating items, such as fair value change on derivative financial instruments, and other non-recurring expenses & fair value on financial assets held for investment. The Group's performance in the first half of the year showed a continuous improvement compared to the interim results for year 2011 in both turnover and gross profit.

As previously reported, Motorola Mobility 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 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 would continue to explore business opportunities which could complement the Group's current telephone related business.

We have recently announced the proposed acquisition in a leading automobile franchise retail distribution outlet in the PRC. Due diligence on the project is underway, and appropriate disclosure will be made upon execution of any legally binding agreements. 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 2012, the Group recorded a turnover of approximately HK$188.9 million which represents an increase of approximately 78.2% as compared to the corresponding figure for the six months ended 30 June 2011. The gross profit for the period under review was approximately HK$14.9 million as compared to approximately HK$3.2 million for the previous period. The net loss for the period was approximately HK$21.0 million.

The turnover, gross loss and net loss of the assembly service business in Meizhou for the six months ended 30 June 2012 are set out as below:-

	At 30 June 2012 **(Unaudited)** *HK$'000*
Turnover	37,213
Gross loss	(7,647)
Net loss	(10,757)

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 2012 are set out as below:

	At 30 June 2012 **(Unaudited)** *HK$'000*
Turnover	151,665
Gross profit	22,524
Net profit	3,640

Segmental Information

Since February 2010, Motorola has selected the Company as its exclusive licensee for corded and cordless telephones for residential and office 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 decrease in current ratio from 50.8% to 40.0% was mainly due to the decreased trade and other receivable & discounted bills.

At 30 June 2012, the Group had cash on hand of approximately HK$19.7 million, net current liabilities of approximately HK$90.2 million, total assets of approximately HK$69.8 million and shareholders' deficit of approximately HK$80.6 million.

The Group has no bank borrowings at 30 June 2012 (2011: 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 2012, 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 proposed acquisition as set out in the announcement dated 23 July 2012, 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 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. 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 Suncorp Industrial Limited ("SIL") (in liquidation), a wholly-owned subsidiary of the Company, against the Company and its directors concerning the operation of SIL before its liquidation, as at the date of this announcement, 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 newly adopted by the shareholder of the Company at its annual general meeting dated 4 May 2012.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

At 30 June 2012, 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$0.003 each of the Company

	Number of ordinary shares held		Percentage of the issued
Name of Director	**Personal interests**	**Corporate interests**	**share capital of the Company** *(Note 1)* (%)
Malcolm Stephen JACOBS-PATON	26,078	–	0.02%
Ip Chi Ming	1	–	0%

Notes:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 156,631,557.

Save as disclosed above, at 30 June 2012, 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

As at 30 June 2012, 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 "**Existing 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. The Existing Share Option Scheme was terminated and a new share option scheme was adopted by the shareholders at the annual general meeting of the Company on 4 May 2012.

As at 30 June 2012, 13,261 shares were outstanding to be issued under the Existing Share Option Scheme.

GUARANTEES TO AFFILIATED COMPANIES

At 30 June 2012, 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 Mr. Lee Ho Yiu, Thomas, Ms. Lu Bei Lin and Mr. Lee Ka Sing, Joseph, of which Mr. Lee Ho Yiu, Thomas is the chairman. The unaudited financial statements of the Group for the six months ended 30 June 2012 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.

Chairman and Chief Executive Officer

Pursuant to Code Provision A.2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, in view of the current nature of the Company, the Board opines that it is not necessary to appoint a chairman or chief executive officer and daily operation of the Group is delegated to executive Directors, department heads and various committees. In this circumstances, the Board considers that the present practice has already addressed the concerns of the CG Code in this respect.

Non-Executive 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 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
Ip Chi Ming
Executive Director

Hong Kong, 22 August 2012

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 three independent non-executive Directors, namely Ms. Lu Bei Lin, Mr. Lee Ho Yiu, Thomas and Mr. Lee Ka Sing, Joseph.