Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

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 2013 together with the comparative figures in 2012, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Notes	**2013 (Unaudited) *HK$'000***	2012 (Unaudited) *HK$'000*
Revenue	2	**174,112**	188,878
Cost of sales		**(152,051)**	(174,001)
Gross profit		**22,061**	14,877
Other income and gains	3	**21,398**	785
Distribution and selling expenses		**(13,099)**	(17,240)
Operating expenses		**(19,848)**	(13,014)
Fair value change on held-for-trading investments		**2,519**	(4,736)
Fair value change on convertible notes designated as at fair value through profit or loss		**(10)**	(1,034)
Finance costs		**(696)**	(626)
Profit/(Loss) before tax		**12,325**	(20,988)
Income tax	4	**–**	–
Profit/(Loss) for the period	6	**12,325**	(20,988)
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations			
– Exchange loss arising during the period		**(423)**	(158)
– Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of foreign operations		**870**	–
Other comprehensive income/(expense) for the period		**447**	(158)
Total comprehensive income/(expense) for the period		**12,772**	(21,146)
Earnings/(Loss) per share (HK$)	7		
– Basic		**0.07**	(0.13)
– Diluted		**0.07**	(0.13)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2013 (Unaudited) *HK$'000*	At 31 December 2012 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**138**	5,174
Interest in a jointly controlled entity		**–**	–
		138	5,174
Current assets			
Inventories		**–**	2,244
Trade, bill and other receivables	9	**20,712**	37,025
Bill receivable discounted with full recourse		**6,743**	1,317
Held-for-trading investments	10	**14,195**	12,541
Bank balances and cash		**9,925**	9,872
		51,575	62,999
Current liabilities			
Trade and other payables	11	**39,520**	40,784
Advance drawn on bill receivable discounted with full recourse		**6,743**	1,317
Amount due to a former director		**34,180**	33,794
Trade and other payables to a jointly controlled entity		**–**	33,869
Convertible notes designated as at fair value through profit or loss	12	**–**	40,000
Note payables	13	**40,089**	–
		120,532	149,764
Net current liabilities		**(68,957)**	(86,765)
Total assets less current liabilities		**(68,819)**	(81,591)
Capital and reserves			
Share capital	14	**564**	564
Reserves		**(69,383)**	(82,155)
Total equity		**(68,819)**	(81,591)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to owners 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 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 Exchange differences on translating foreign operations	–	–	–	(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)
At 1 January 2013	**564**	**456,931**	**14,945**	**(118)**	**–**	**(553,913)**	**(81,591)**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**12,325**	**12,325**
Other comprehensive income for the period **Exchange differences on translating foreign operations**							
– Exchange loss arising during the period	**–**	**–**	**–**	**(423)**	**–**	**–**	**(423)**
– Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of foreign operations	**–**	**–**	**–**	**870**	**–**	**–**	**870**
	–	**–**	**–**	**447**	**–**	**–**	**447**
Total comprehensive income for the period	**–**	**–**	**–**	**447**	**–**	**12,325**	**12,772**
At 30 June 2013	**564**	**456,931**	**14,945**	**329**	**–**	**(541,588)**	**(68,819)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2013

	2013 **(Unaudited)** ***HK$'000***	2012 (Unaudited) *HK$'000*
Net cash (used in)/generated from operating activities	**(4,501)**	9,301
Net cash (used in)/generated from investing activities	**(1,345)**	6,164
Net cash generated from/(used in) financing activities	**5,811**	(7,012)
Net (decrease)/increase in cash and cash equivalents	**(35)**	8,453
Effect of foreign exchange rate changes	**88**	(207)
Cash and cash equivalents at the beginning of the period	**9,872**	11,475
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**9,925**	19,721

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

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".

In preparing the condensed consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of the fact that as of 30 June 2013, the Group's current liabilities exceeded its current assets by approximately HK$68,957,000. The directors of the Company have been taking active steps to improve the liquidity position of the Group. These steps include (i) negotiating with creditors on repayment schedules; (ii) implementing stringent cost control measures; (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 and after taking into account credit facilities presently available to 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 condensed consolidated financial statements have been prepared on a going concern basis.

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

Except as described below, 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 2012.

In the current interim period, the Group have applied, for the first time, certain new or revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants that are mandatorily effective for the current interim period.

The impact of the application of these standards is set out below.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Other than additional disclosures of fair value information as set out in note 10, the application of HKFRS 13 has had no material impact on the reported amount in these condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, the Group's statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of the other new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these 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 directors of the Company 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 directors of the Company 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 profit/(loss) for the period as shown in the condensed consolidated statement of profit or loss and other 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").

Information about 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
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Asia	**124,533**	109,088	**138**	5,174
Africa	**1,790**	2,337	**–**	–
Middle East	**2,341**	6,083	**–**	–
Europe	**45,448**	71,370	**–**	–
	174,112	188,878	**138**	5,174

3. Other income and gains

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**–**	501
Gain on disposal of a subsidiary	**20,269**	–
Gain on disposal of a jointly controlled entity	**1,000**	–
Interest income on bank deposits	**3**	2
Management fee income	**126**	126
Sundry income	**–**	156
	21,398	785

4. Income tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No Hong Kong Profits Tax is provided as there was no assessable profit for the current and prior interim periods.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods. No PRC Enterprise Income Tax is provided as there was no assessable profit for the current and prior interim periods.

5. Disposal of a subsidiary and a jointly controlled entity

(a) Disposal of a subsidiary

On 19 April 2013, the Group entered into a sale agreement to dispose of its 100% equity interest in Meizhou Guo Wei Electronics Company Limited ("Meizhou Guo Wei") at a consideration of HK$1. The disposal was completed on 7 June 2013, on which date the Group passed the control of Meizhou Guo Wei to the acquirer.

The net liabilities of Meizhou Guo Wei at the date of disposal were as follows:

	HK'000
Net liabilities disposal of	(21,139)
Reclassification of translation reserve on disposal of Meizhou Guo Wei	870
	(20,269)
Gain on disposal	20,269
Total consideration	–
Satisfied by:	
Cash	–
Net cash outflow arising on disposal:	
Total cash consideration received	–
Bank balances and cash disposal of	(1,210)
	(1,210)

(b) Disposal of a jointly controlled entity

At 31 December 2012, the Group held a 25% interest in Shenzhen Guo Wei Electronics Co., Limited ("Shenzhen Guo Wei") and accounted for the investment as a jointly controlled entity. In April 2013, the Group disposed of its entire interest in Shenzhen Guo Wei for proceeds of HK$1,000,000. This transaction has result in the recognition of a gain in profit or loss, calculated as follows:

	HK'000
Proceeds of disposal	1,000
Less: Carrying amount of investment on the date of disposal	–
Profit recognised	1,000

6. Profit/(Loss) for the period

Profit/(Loss) for the period has been arrived at after charging:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Cost of inventories recognised as an expense	**103,812**	133,234
Depreciation of property, plant and equipment	**915**	1,712
Net foreign exchange losses	**61**	24
Staff costs including directors' remuneration	**42,031**	33,076

7. Earnings/(Loss) per share

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Earnings/(Loss)		
Earnings/(Loss) for the purpose of basic earnings/(loss) per share (Profit/(Loss) for the period attributable to owners of the Company)	**12,325**	(20,988)
Effect of dilutive potential ordinary shares:		
– Fair value change on convertible notes designated as at fair value through profit or loss	**10**	–
Profit/(Loss) for the purpose of diluted earnings/(loss) per share	**12,335**	(20,988)

	Six months ended 30 June	
	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**187,951,557**	156,060,128
Effect of dilutive potential ordinary shares:		
– Convertible notes designated as at fair value through profit or loss	**1,399,632**	–
Weighted average number of ordianry shares for the purpose of diluted earnings/(loss) per share	**189,351,189**	156,060,128

The computation of diluted loss per share for the six months ended 30 June 2012 does not assume the conversion of the Company's outstanding convertible notes and the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

8. Dividends

No dividend was paid or proposed during the six months ended 30 June 2013 and 2012.

9. Trade, bill and other receivables

	At 30 June 2013 (Unaudited) *HK$'000*	At 31 December 2012 (Audited) *HK$'000*
Trade and bill receivables	**18,351**	29,882
Less: Allowance for doubtful debts	**(5,451)**	(5,451)
	12,900	24,431
Refundable deposit paid for proposed acquisitions	**3,000**	3,000
Deposits, prepayments and other receivables	**4,812**	9,594
Total trade, bill and other receivables	**20,712**	37,025

The Group allows an average credit period of 60 days to its trade customers. The following is an ageing analysis of trade and bill receivables (net of allowance for doubtful debts) presented based on the invoice date at the end of the reporting period:

	At 30 June 2013 (Unaudited) *HK$'000*	At 31 December 2012 (Audited) *HK$'000*
0-30 days	**4,715**	13,542
31-60 days	**1,405**	6,825
61-90 days	**1,190**	1,466
Over 90 days	**5,590**	2,598
	12,900	24,431

10. Held-for-trading investments

Held-for-trading investments as at 30 June 2013 and 31 December 2012 represent equity securities listed in Hong Kong. The fair values of the investments are determined based on the quoted market bid prices available on the Stock Exchange of Hong Kong Limited. The fair value of held-for-trading investments was classified as Level 1 of the fair value hierarchy. There were no transfers between Level 1 and 2.

11. Trade and other payables

	At 30 June 2013 (Unaudited) ***HK$'000***	At 31 December 2012 (Audited) *HK$'000*
Trade payables	**26,561**	7,312
Accrued charges and other payables	**12,959**	33,472
	39,520	40,784

The following is an ageing analysis of trade payables based on invoice date at the end of the reporting period:

	At 30 June 2013 (Unaudited) ***HK$'000***	At 31 December 2012 (Audited) *HK$'000*
0-30 days	**6,193**	1,028
31-60 days	**1,215**	1,044
61-90 days	**1,035**	552
Over 90 days	**18,118**	4,688
	26,561	7,312

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

12. 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$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 Company 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 convertible notes in aggregate principal amount of HK$30,000,000 have been converted at the conversion price of HK$0.10 per share since the date of issue, resulting in the issue of 300,000,000 ordinary shares of HK$0.10 each.

The outstanding convertible notes in aggregate principal amount of HK$40,000,000 have matured on 19 January 2013. The convertible notes holders have agreed to defer the repayment of the principal amount to 30 April 2013. As the principal terms of the convertible notes have been substantially changed, the modification of the terms has been accounted for as extinguishment of the original convertible notes and the recognition of a new financial liability as disclosed in note 13.

13. **Note payables**

The note payables in aggregate principal amount of HK$40,000,000 are unsecured and interest bearing at 0.5% per annum. In April 2013, the note holders agreed to extend the maturity date of the note payables from 30 April 2013 to 31 July 2013.

14. **Share capital**

	Number of ordinary shares	**Amount** *HK$'000*
Authorised:		
At 1 January 2013 and at 30 June 2013, ordinary shares of HK$0.003 each	200,000,000,000	600,000
Issued and fully paid:		
At 1 January 2013 and at 30 June 2013	187,951,557	564

15. **Related party disclosures**

During the six months ended 30 June 2013, the Group provided assembly services to a jointly controlled entity for approximately HK$53,735,000 (2012: HK$14,199,000) and purchased finished telephone and related equipment from the jointly controlled entity for approximately HK$76,717,000 (2012: HK$129,141,000).

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

16. **Events after the end of the interim period**

(a) In July 2013, the Group acquired 100% of the issued share capital of Smart Policy Investments Limited, which is an investment holding company and its subsidiary is engaged in processing and trading of used computer-related components.

(b) In July 2013, the note holders in the principal amount of HK$40,000,000 under the note payables agreed to extend the maturity date from 31 July 2013 to 19 January 2014.

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 2013.

During the six months of review, in view of the cumulated losses in the assembly services at its subsidiary, Meizhou Guo Wei Electronics Co., Ltd. and the jointly controlled entity, Shenzhen Guo Wei Electronics Co., Ltd. (collectively with Meizhou Guo Wei Electronics Co., Ltd, the "**PRC Factories**") in the People's Republic of China (the "**PRC**"), the Group entered into the sale & purchase agreement with an independent third party to dispose the PRC Factories, which was completed on 7th June, 2013. The Group continues to provide sales and marketing of residential telephone products under its license for the Motorola brand and will continue to explore business opportunities which could complement the Group's related business.

For the six months ended 30 June 2013, the Group's turnover amounted to approximately HK$174.1 million, compared to the same period of HK$188.9 million reported in 2012, there was a decrease of approximately 7.8% which is in line with the general market trend in 2013. Approximately 41.2% of the Group's turnover resulted from the provision of assembly services, and 58.8% from sales of telephone products. Gross profit from operation for the six months under review was approximately HK$22.1 million, compared to a gross profit of approximately HK$14.9 million reported in 2012, representing an increase of approximately 48.3%. The net profit was approximately HK$12.3 million, in which approximately HK$20.3 million was gain from disposal of the PRC Factories and approximately HK$2.5 million gain was generated from non-operating items in the fair value on financial assets.

As previously reported, Motorola Mobility 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 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.

The acquisition in a trading of computer-related components company was completed in July 2013 and the Group has tapped into a new market which represent a good opportunity to diversify our business. 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 2013, the Group recorded a turnover of approximately HK$174.1 million which represents a decrease of approximately 7.8% as compared to the corresponding figure for the six months ended 30 June 2012. The gross profit for the period under review was approximately HK$22.1 million as compared to approximately HK$14.9 million for the previous period. The net profit for the period was approximately HK$12.3 million.

The turnover, gross profit and net loss of Meizhou Guo Wei Electronics Co., Ltd for the period ended 30 June 2013* are set out as below:

	At 30 June 2013 **(Unaudited)** *HK$'000*
Turnover	71,738
Gross profit	6,891
Net loss	(5,775)

* The figures was reported up to 7 June 2013 when the disposal of Meizhou Guo Wei Electronics Co., Ltd was completed.

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 2013 are set out as below:

	At 30 June 2013 **(Unaudited)** *HK$'000*
Turnover	102,374
Gross profit	15,171
Net profit	228

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 and the design, sales and marketing of telephones by geographical location of customers is set out in note 2 to the condensed consolidated financial statements.

Liquidity and Financial Resources

The increase in current ratio from 42.1% to 42.8% was mainly due to the decreased in current liabilities after the disposal of the PRC Factories.

At 30 June 2013, the Group had cash on hand of approximately HK$9.9 million, net current liabilities of approximately HK$69.0 million, total assets of approximately HK$51.7 million and shareholders' deficit of approximately HK$68.8 million.

The Group has HK$6.7 million bank borrowings at 30 June 2013.

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 2013, no shares were issued upon the exercise of the convertible bonds 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 major transactions as set out in the circulars dated 16 May 2013 in relation to the disposal of the PRC Factories and 14 June 2013 in relation to the acquisition of the trading of computer-related components company, 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.

As far as the Directors are aware, the Claims by Suncorp Industrial Limited ("**SIL**") (in liquidation) in both statutory demands against SCL and MCL related 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 is no such debts in the accounts and records of SCL and MCL at any financial year ended 31 December 2008 with SIL.

By an order made on 1 June 2011, the Liquidators were sanctioned to take out legal proceedings in the name and on behalf of the SIL (in liquidation) against the Company, SCL and MCL. However, no legal action or winding-up proceedings had even been taken by the Liquidators against the Company or SCL or MCL up to the date hereof.

Based on legal advice sought, as the Claims sought have already been fully set-off, 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 hereof, 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 2013, 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

Name of Director	Number of ordinary shares held Personal interests	Corporate interests	Percentage of the issued share capital of the Company *(Note 1)* (%)
Malcolm Stephen JACOBS-PATON	26,078	–	0.01%
Ip Chi Ming	1	–	0.00%

Notes:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 187,951,557.

Save as disclosed above, at 30 June 2013, 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 2013, 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 (the "**New Share Option Scheme**").

As at 30 June 2013, no share option was granted under the New Share Option Scheme.

GUARANTEES TO AFFILIATED COMPANIES

As at 30 June 2013, guarantee in an amount of USD2,000,000 was given by the Company to DBS Bank (Hong Kong) Limited in respect of banking facilities granted to Suncorp Global Limited, a wholly owned subsidiary of the Company.

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 2013 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.

By Order of the Board
Suncorp Technologies Limited
Mr. Ip Chi Ming
Executive Director

Hong Kong, 21 August 2013

As at the date of this announcement, the Board comprises of Mr. Malcolm Stephen Jacobs-Paton, Mr. Ip Chi Ming, Mr. Xiao Qingmin as executive directors, Ms. Lu Bei Lin, Mr. Lee Ho Yiu, Thomas and Mr. Lee Ka Sing, Joseph as independent non-executive directors.