Suncorp

Suncorp Technologies Limited

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

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "**Board**" or "**Directors**") of Suncorp Technologies Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2013 together with the comparative figures for the year ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	NOTES	**2013** *HK$'000*	2012 *HK$'000*
Revenue	4	**293,408**	349,626
Cost of sales		**(256,577)**	(303,106)
Gross profit		**36,831**	46,520
Other income and gains	5	**21,540**	1,773
Distribution and selling expenses		**(24,176)**	(28,796)
Operating expenses		**(34,117)**	(37,759)
Impairment loss recognised on trade and other receivables		**–**	(185)
Fair value change on held-for-trading investments		**17,272**	(5,924)
Fair value change on contingent consideration		**(3,736)**	–
Fair value change on early redemption option embedded in convertible notes		**(681)**	–
Fair value change on convertible notes designated as at fair value through profit or loss		**–**	(2,225)
Finance costs	6	**(2,517)**	(1,215)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the year ended 31 December 2013

	NOTES	**2013** **HK$'000**	2012 *HK$'000*
Profit/(Loss) before tax		**10,416**	(27,811)
Income tax expense	8	**(248)**	–
Profit/(Loss) for the year	7	**10,168**	(27,811)
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 year		**(488)**	(116)
– Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of foreign operations		**870**	–
		382	(116)
Total comprehensive income/(expense) for the year		**10,550**	(27,927)
			(Restated)
Earnings/(Loss) per share (HK cents)	10		
– Basic		**0.46**	(1.64)
– Diluted		**0.39**	(1.64)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	NOTES	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**21**	5,174
Interest in a joint venture		**–**	–
Goodwill		**29,877**	–
		29,898	5,174
Current assets			
Inventories		**–**	2,244
Trade, bill and other receivables	11	**32,521**	37,025
Bill receivable discounted with full recourse	12	**6,794**	1,317
Contingent consideration		**1,650**	–
Early redemption option embedded in convertible notes		**1,127**	–
Held-for-trading investments	13	**22,500**	12,541
Bank balances and cash		**35,413**	9,872
		100,005	62,999
Current liabilities			
Trade and other payables	14	**42,303**	40,784
Advance drawn on bill receivable discounted with full recourse		**6,794**	1,317
Amount due to a former director		**–**	33,794
Trade and other payables to a joint venture		**–**	33,869
Promissory notes		**14,842**	–
Convertible notes designated as at fair value through profit or loss		**–**	40,000
Current tax liabilities		**960**	–
		64,899	149,764
Net current assets/(liabilities)		**35,106**	(86,765)
Total assets less current liabilities		**65,004**	(81,591)
Capital and reserves			
Share capital		**2,151**	564
Reserves		**(10,791)**	(82,155)
Total equity		**(8,640)**	(81,591)
Non-current liabilities			
Promissory notes		**22,251**	–
Convertible notes		**51,393**	–
		73,644	–
		65,004	(81,591)

Notes:

1. GENERAL

Suncorp Technologies Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and 2/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong respectively.

The Company and its subsidiaries (the "Group") are principally engaged in the design and sales of telephones and related products, processing and trading of used computer-related components.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company in 2012 was United States dollar ("USD"). During the year, following the disposal of substantially all of the Group's foreign operations and upon issuance of convertible notes, the functional currency of the Company has been changed from USD to Hong Kong dollar ("HKD") since the Company has changed its activities from a sole investment holding company to a company which is also engaged in treasury functions in Hong Kong. The change of functional currency which is made due to change in underlying events and conditions as mentioned above is accounted for prospectively. There has been no change in the presentation currency of the Group's consolidated financial statements which is presented in HKD.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of a net operating cash outflow of approximately HK$12,104,000 during the year ended 31 December 2013 and as of that date, the Group's total liabilities exceeded its total assets by approximately HK$8,640,000. The directors of the Company have been taking active steps to improve the liquidity position of the Group. These steps include (i) implementing stringent cost control measures; (ii) evaluating alternative sources of financing; and (iii) 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 consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
HK(IFRIC)–Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

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

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, HK(SIC) – Int13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

The directors reviewed and assessed the classification of the Group's investments in joint arrangement in the accordance with the requirement of HKFRS 11. The directors concluded that the Group's investments which were classified as jointly controlled entities under HKAS 31 should be classified as joint ventures under HKFRS 11 and continue to apply the equity method.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 *Fair Value Measurement*

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and nonfinancial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of 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.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the '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. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income 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 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. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

In current year, the Group has applied for the first time the amendments to HKAS 36 in advance of the effective date (annual periods beginning on or after 1 January 2014).

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[4]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 July 2014.

[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

[4] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

4. 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.

Information reported to executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable and operating segments under HKFRS 8 are as follows:

(i) Telephones and related equipment

(ii) Used computer-related components

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2013

	Telephones and related equipment *HK$'000*	**Used computer-related components** *HK$'000*	**Total** *HK$'000*
Revenue			
External sales	**275,110**	**18,298**	**293,408**
Segment (loss)/profit	**(19,501)**	**918**	**(18,583)**
Interest income on bank deposits			**3**
Gain on disposal of a subsidiary			**20,269**
Gain on disposal of a joint venture			**1,000**
Fair value change on held-for-trading investments			**17,272**
Fair value change on contingent consideration			**(3,736)**
Fair value change on early redemption option embedded in convertible notes			**(681)**
Unallocated expenses			**(2,611)**
Finance costs			**(2,517)**
Profit before tax			**10,416**

For the year ended 31 December 2012

	Telephones and related equipment *HK$'000*	**Used computer-related components** *HK$'000*	**Total** *HK$'000*
Revenue			
External sales	349,626	–	349,626
Segment loss	(18,452)	–	(18,452)
Interest income on bank deposits			5
Fair value change on held-for-trading investments			(5,924)
Fair value change on convertible notes designated as at fair value through profit or loss			(2,225)
Finance costs			(1,215)
Loss before tax			(27,811)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit earned by/loss from each segment without allocation of gain on disposal of a subsidiary, gain on disposal of a joint venture, fair value change on held-for-trading investments, fair value change on contingent consideration, fair value change on early redemption option embedded in convertible notes, directors' emoluments, interest income and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	2013	2012
	HK$'000	*HK$'000*
Telephones and related equipment	**33,594**	45,760
Used computer-related components	**35,619**	–
Total segment assets	**69,213**	45,760
Unallocated assets	**60,690**	22,413
Consolidated assets	**129,903**	68,173

Segment liabilities

	2013	2012
	HK$'000	*HK$'000*
Telephones and related equipment	**48,891**	75,970
Used computer-related components	**206**	–
Total segment liabilities	**49,097**	75,970
Unallocated liabilities	**89,446**	73,794
Consolidated liabilities	**138,543**	149,764

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interest in a joint venture, contingent consideration, early redemption option embedded in convertible notes, held-for-trading investments, bank balances and cash; and

- all liabilities are allocated to operating segments other than amount due to a former director, promissory notes, convertible notes and current tax liabilities.

Other segment information

2013

	Telephones and related equipment	Used computer-related components	Total
	HK$'000	*HK$'000*	*HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:			
Addition to non-current assets	**1,261**	**29,877**	**31,138**
Depreciation of property, plant and equipment	**1,032**	**–**	**1,032**

2012

	Telephones and related equipment	Used computer-related components	Total
	HK$'000	*HK$'000*	*HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:			
Addition to non-current assets	3,346	–	3,346
Depreciation of property, plant and equipment	2,910	–	2,910
Loss on disposal of property, plant and equipment	3,596	–	3,596
Impairment loss recognised on trade and other receivables	185	–	185

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	2013	2012
	HK$'000	*HK$'000*
Telephones and related equipment	**275,110**	349,626
Used computer-related components	**18,298**	–
	293,408	349,626

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	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC (including Hong Kong)	**110,170**	139,339	**29,898**	5,174
Malaysia	**47,904**	63,887	**–**	–
Spain	**29,400**	31,996	**–**	–
England	**22,425**	35,880	**–**	–
Singapore	**17,548**	14,040	**–**	–
Italy	**14,475**	10,849	**–**	–
Netherlands	**9,348**	12,566	**–**	–
Others	**42,138**	41,069	**–**	–
	293,408	349,626	**29,898**	5,174

Information about major customers

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

	2013	2012
	HK$'000	*HK$'000*
Customer A[1]	**31,861**	123,088
Customer B[1]	**35,647**	40,571
Customer C[1]	**29,400**	N/A[2]
Customer D[1]	**N/A[2]**	35,880

1 Revenue from telephones and related equipment.

2 The corresponding revenue did not contribute over 10% of the total sales of the Group.

5. OTHER INCOME AND GAINS

	2013	2012
	HK$'000	*HK$'000*
Gain on disposal of a subsidiary	**20,269**	–
Gain on disposal of a joint venture	**1,000**	–
Interest income on bank deposits	**3**	5
Management fee income	**252**	252
Government subsidies	**–**	1,143
Sundry income	**16**	373
	21,540	1,773

6. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings wholly repayable within five years	**221**	165
– amount due to a former director	**926**	1,050
– promissory notes	**1,027**	–
– convertible notes	**343**	–
	2,517	1,215

7. PROFIT/(LOSS) FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Directors' emoluments	**2,611**	2,178
Other staff costs	**44,471**	71,777
Total employee benefits expense	**47,082**	73,955
Auditors' remuneration	**770**	750
Cost of inventories recognised as an expense	**208,338**	225,911
Depreciation of property, plant and equipment	**1,032**	2,910
Loss on disposal of property, plant and equipment	**–**	3,596
Net foreign exchange losses	**117**	36

8. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax	**248**	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2012 as the Group did not generate any assessable profit during the year.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years. No provision for PRC Enterprise Income Tax for the years ended 31 December 2013 and 2012 as the PRC subsidiaries did not generate any assessable profit during the years.

9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period (2012: Nil).

10. 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:

	2013	2012
	HK$'000	*HK$'000*
Earnings/(Loss)		
Earnings/(Loss) for the purpose of basic earnings/(loss) per share (Profit/(Loss) for the year attributable to owners of the Company)	**10,168**	(27,811)
Effect of dilutive potential ordinary shares:		
– Fair value change on early redemption option embedded in convertible notes	**681**	–
– Interest on convertible notes	**343**	–
Earnings/(Loss) for the purpose of diluted earnings/(loss) per share	**11,192**	(27,811)

	2013	2012
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**2,231,653**	1,698,681
Effect of dilutive potential ordinary shares:		
– share options	**30,209**	–
– convertible notes	**585,945**	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**2,847,807**	1,698,681

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for both years has been adjusted for the effect of the Share Subdivision.

The computation of diluted loss per share for the year ended 31 December 2012 did not assume the conversion of the Company's outstanding convertible notes and the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

11. TRADE, BILL AND OTHER RECEIVABLES

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Trade and bill receivables	**27,692**	29,882
Less: Allowance for doubtful debts	**(5,451)**	(5,451)
	22,241	24,431
Refundable deposits paid for proposed acquisitions	**–**	3,000
Deposits, prepayments and other receivables	**10,280**	9,594
Total trade, bill and other receivables	**32,521**	37,025

The Group allows a credit period of 30 days to 90 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 dates at the end of the reporting period:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**9,974**	13,542
31 – 60 days	**2,730**	6,825
61 – 90 days	**1,746**	1,466
Over 90 days	**7,791**	2,598
	22,241	24,431

12. BILL RECEIVABLE DISCOUNTED WITH FULL RECOURSE

The Group allows a credit period of 30 days to 90 days to its trade customers. The following is an ageing analysis of bill receivable discounted with full recourse at the end of the reporting period:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**4,076**	1,317
31 – 60 days	**537**	–
61 – 90 days	**2,181**	–
	6,794	1,317

13. HELD-FOR-TRADING INVESTMENTS

	The Group	
	2013	2012
	HK$'000	HK$'000
Equity securities listed in Hong Kong, at fair value	**22,500**	12,541

Fair values are determined with reference to quoted market bid prices.

14. TRADE AND OTHER PAYABLES

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Trade payables	**29,376**	7,312
Other payables and accrued charges	**12,927**	33,472
	42,303	40,784

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

	The Group	
	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**8,116**	1,028
31 – 60 days	**965**	1,044
61 – 90 days	**2,154**	552
Over 90 days	**18,141**	4,688
	29,376	7,312

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

15. EVENT AFTER THE REPORTING PERIOD

On 27 February 2014, the convertible notes with principal amount of HK$1,000,000 were converted at the conversion price of HK$0.01 per share, resulting in the issue of 100,000,000 ordinary shares of HK$0.0003 each. The conversion shares rank *pari passu* with the existing shares in all respects.

DIRECTORS' STATEMENT

On behalf of the board of the Company, I present to you the annual report of the Group for the year ended 31 December 2013.

During the year of review, the Group has decided to withdraw from manufacturing to allow it to focus on the sales and marketing of residential telephone products under its licence for the Motorola brand. Accordingly, the Group has completed the disposal of its interest in two manufacturing companies in June 2013, namely Meizhou Guo Wei Electronics Company Limited and Shenzhen Guowei Electronics Company Limited.

For the year ended 31 December 2013, the Group's turnover amounted to approximately HK$293.4 million, compared to HK$349.6 million reported in 2012, representing a decrease of approximately 16.1%. In relation to the Group's turnover, approximately 69.3% resulted from sales of telephone products, 6.2% resulted from the newly acquired company engaged principally in the processing and trading of used computer-related components and 24.5% resulted from the provision of assembly services which has been disposed in June 2013. Gross profit from operation for the year under review was approximately HK$36.8 million, compared to a gross profit of approximately HK$46.5 million reported in 2012, representing a decrease of approximately 20.9%. The net profit was approximately HK$10.2 million, which was attributable to a gain on disposal of a subsidiary and change of the fair value on the held-for-trading investments.

As previously reported, Motorola Mobility selected the Company 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's core activity is the design, sales and marketing of telephone products under the Motorola brand in the above territories. The prospects for this activity continue to be good in 2014. The Board will continue to explore business opportunities which could complement the Group's current telephone related business.

In July 2013, the Group has completed the acquisition of a company engaged principally in the processing and trading of used computer-related components such as integrated circuit chips, hard-disk and motherboards from developed countries to developing countries. The company is performing well and has contributed positive returns to the Group during the year. The Board will continue to explore new business opportunities in the new media area or in area which could diversify the Group's current business and will bring value to shareholders as a whole.

On behalf of the Board, I would like to take this opportunity to extend our sincere thanks to 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 year ended 31 December 2013, the Group recorded a turnover of approximately HK$293.4 million which represented a decrease of approximately 16.1% as compared to the corresponding figure for the year ended 31 December 2012. The gross profit for the year under review was approximately HK$36.8 million as compared to approximately HK$46.5 million for the previous year.

During the year, the Group has decided to withdraw from manufacturing to allow it to focus on the sales and marketing of residential telephone products under its licence for the Motorola brand. In addition, the Group has completed acquisition of a company engaged principally in the processing and trading of used computer-related components business. The turnover and the gross profit for the year ended 31 December 2013 are set out as below:

	Telephones and related equipment *HK$'000*	**Used computer-related components** *HK$'000*
Turnover	275,110	18,298
Gross profit	34,508	2,323

LIQUIDITY AND FINANCIAL RESOURCES

The increase in current ratio from 42.1% to 154.1% was mainly due to the increase in held-for-trading investment and cash and the decrease in amount due to a former director and convertible notes.

As at 31 December 2013, the Group had cash on hand of approximately HK$35.4 million, net current assets of approximately HK$35.1 million, total assets of approximately HK$130.0 million and shareholders' deficit of approximately HK$8.6 million.

The Group has HK$6.8 million bank borrowings as at 31 December 2013 (2012: 1.3 million).

GEARING RATIO

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

CAPITAL STRUCTURE

During the year ended 31 December 2013, no shares were issued upon the exercise of share options by option holders.

During the year ended 31 December 2013, an amount of HK$52.9 million convertible notes had been converted into 5,290,000,000 ordinary shares of the Company.

EXCHANGE RATE

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

INVESTMENTS

During the year under review, save for the acquisition of 100% equity interest in Smart Policy Investments Limited, and the disposal of 100% equity interest in Meizhou Guo Wei Electronics Company Limited and 25% equity interest in Shenzhen Guo Wei Electronics Company Limited, there were no material acquisitions or disposals of subsidiaries and associated companies during the year.

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 Latest Practicable Date, 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 year under review, the Group had granted a total of 46,989,450 share options after adjustment for share subdivision to the executive directors and employees in accordance with the share option scheme.

DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2013 (2012: Nil).

AUDIT COMMITTEE

The Audit Committee provides an important link between Board and the Company's auditors in matters coming within the scope of the audit of the Company. The Audit Committee was established in March 2000 with written terms of reference and is currently consists of three members, of whom all are INEDs.

The Audit Committee is responsible for reviewing the appointment of auditors on an annual basis including a review of the audit scope and the audit fees; ensuring the objectivity and independence of the auditors, meeting with the auditors to discuss issues arising from the final audit and any matters the auditors suggest to discuss; reviewing the sufficiency and effectiveness of the internal controls; reviewing the annual and interim report in accordance with the accounting policies and practices and relevant accounting standards, the Listing Rules and the legal requirements; serving as a focal point for communication between other Directors and the auditors in respect of the duties relating to financial reporting.

The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy when necessary.

CORPORATE GOVERNANCE

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

Throughout the financial year of 2013, the Group had applied the principles as set out in the Code of Corporate Governance Practices (the "**CG Code**") in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange (the "**Listing Rules**") during the period from 1 January 2013 to 31 December 2013; and unless otherwise stated, which in the opinion of the Board, are not appropriate to follow.

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.

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 of 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 Bye-laws. In the circumstances, the Board considers that the present practice has already addressed the concerns of the CG Code in this respect.

Pursuant to Code Provision A.6.5 of the CG Code, which has come into effect from 1 April 2012, all Directors should participate in continuous professional development to developand refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this announcement, all Directors have participated in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transaction. Based on specific enquiry of all the Directors, the Directors have complied with the required standard as set out in the Model Code throughout the financial year of 2013.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to extend our sincere thanks to 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, 18 March 2014

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 Shing, Joseph as independent non-executive directors.