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Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014 together with the comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	NOTES	2014 HK$'000	2013 HK$'000
Revenue	3	**241,171**	293,408
Cost of sales		**(213,746)**	(256,577)
Gross profit		**27,425**	36,831
Other income and gains	4	**6,205**	21,540
Distribution and selling expenses		**(29,544)**	(24,176)
Operating expenses		**(17,187)**	(34,117)
Impairment loss on goodwill		**(19,474)**	–
Impairment loss on trade receivables		**(3)**	–
Fair value change on held-for-trading investments		**3,908**	17,272
Fair value change on contingent consideration		**–**	(3,736)
Fair value change on early redemption option embedded in convertible notes		**(1,127)**	(681)
Finance costs	5	**(2,809)**	(2,517)
(Loss)/Profit before tax		**(32,606)**	10,416
Income tax expense	7	**(261)**	(248)

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

For the year ended 31 December 2014

	NOTES	**2014** **HK$'000**	2013 HK$'000
(Loss)/Profit for the year	6	**(32,867)**	10,168
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations			
– Exchange loss arising during the year		**–**	(488)
– Reclassification adjustment for the cumulative (gain)/loss included in profit or loss upon disposal of foreign operations		**(264)**	870
		(264)	382
Total comprehensive (expense)/income for the year		**(33,131)**	10,550
(Loss)/Earnings per share (HK cents)			
– Basic	9	**(0.30)**	0.46
– Diluted		**(0.30)**	0.39

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	NOTES	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**117**	21
Goodwill		**10,403**	29,877
		10,520	29,898
Current assets			
Inventories		**36**	–
Trade, bill and other receivables	10	**28,813**	32,521
Bill receivable discounted with full recourse	11	**923**	6,794
Contingent consideration		**–**	1,650
Early redemption option embedded in convertible notes		**–**	1,127
Held-for-trading investments	12	**26,848**	22,500
Bank balances and cash		**8,816**	35,413
		65,436	100,005
Current liabilities			
Trade and other payables	13	**39,375**	42,303
Advance drawn on bill receivable discounted with full recourse		**923**	6,794
Bank loan		**1,180**	–
Promissory notes		**20,704**	14,842
Current tax liabilities		**1,221**	960
		63,403	64,899
Net current assets		**2,033**	35,106
Total assets less current liabilities		**12,553**	65,004
Capital and reserves			
Share capital		**3,849**	2,151
Reserves		**8,704**	(10,791)
Total equity		**12,553**	(8,640)
Non-current liabilities			
Promissory notes		**–**	22,251
Convertible notes		**–**	51,393
		–	73,644
		12,553	65,004

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 and the processing and trading of used computer-related components.

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

In the current year, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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 the consolidated financial statements.

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

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

[4] Effective for annual periods beginning on or after 1 July 2014, with early application is permitted.

[5] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

The directors of the Company anticipate that the adoption of the new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. 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 2014

	Telephones and related equipment *HK$'000*	Used computer-related components *HK$'000*	Total *HK$'000*
Revenue			
External sales	**194,497**	**46,674**	**241,171**
Segment loss	**(17,331)**	**(18,256)**	**(35,587)**
Interest income on bank deposits			**1**
Gain on disposal of subsidiaries			**5,427**
Gain on repayment of promissory note			**38**
Gain on redemption of convertible notes			**14**
Fair value change on held-for-trading investments			**3,908**
Fair value change on early redemption option embedded in convertible notes			**(1,127)**
Unallocated expenses			**(2,471)**
Finance costs			**(2,809)**
Loss before tax			**(32,606)**

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

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 subsidiaries, gain on disposal of a joint venture, gain on repayment of promissory note, gain on redemption of convertible notes, 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

	2014	2013
	HK$'000	*HK$'000*
Telephones and related equipment	**21,766**	33,594
Used computer-related components	**18,526**	35,619
Total segment assets	**40,292**	69,213
Unallocated assets	**35,664**	60,690
Consolidated assets	**75,956**	129,903

Segment liabilities

	2014	2013
	HK$'000	*HK$'000*
Telephones and related equipment	**38,613**	48,891
Used computer-related components	**1,685**	206
Total segment liabilities	**40,298**	49,097
Unallocated liabilities	**23,105**	89,446
Consolidated liabilities	**63,403**	138,543

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

- all assets are allocated to operating segments other than 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 bank loan, promissory notes, convertible notes and current tax liabilities.

Other segment information

2014

	Telephones and related equipment *HK$'000*	**Used computer-related components** *HK$'000*	**Total** *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:			
Addition to non-current assets	**123**	**–**	**123**
Depreciation of property, plant and equipment	**27**	**–**	**27**
Impairment loss on trade receivable	**3**	**–**	**3**
Impairment loss on goodwill	**–**	**19,474**	**19,474**

2013

	Telephones and related equipment *HK$'000*	Used computer-related components *HK$'000*	Total *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

Revenue from major products

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

	2014 ***HK$'000***	2013 *HK$'000*
Telephones and related equipment	**194,497**	275,110
Used computer-related components	**46,674**	18,298
	241,171	293,408

Geographical information

The Group's main operations are located in Hong Kong.

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	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China ("PRC") (including Hong Kong)	**50,971**	110,170	**10,520**	29,898
Malaysia	**36,589**	47,904	**–**	–
Spain	**23,077**	29,400	**–**	–
England	**18,342**	22,425	**–**	–
Singapore	**11,937**	17,548	**–**	–
Italy	**29,148**	14,475	**–**	–
Netherlands	**7,905**	9,348	**–**	–
India	**17,227**	–	**–**	–
Korea	**12,653**	7,397	**–**	–
Egypt	**8,073**	2,255	**–**	–
Others	**25,249**	32,486	**–**	–
	241,171	293,408	**10,520**	29,898

Information about major customers

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

	2014	2013
	HK$'000	HK$'000
Customer A[1]	**N/A[2]**	31,861
Customer B[1]	**34,151**	35,647
Customer C[1]	**N/A[2]**	29,400
Customer D[1]	**29,148**	N/A[2]
Customer E[1]	**25,760**	N/A[2]

1 Revenue from telephones and related equipment.

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

4. OTHER INCOME AND GAINS

	2014	2013
	HK$'000	*HK$'000*
Gain on disposal of subsidiaries	**5,427**	20,269
Gain on disposal of a joint venture	**–**	1,000
Gain on repayment of promissory note	**38**	–
Gain on redemption of convertible notes	**14**	–
Interest income on bank deposits	**1**	3
Management fee income	**252**	252
Sundry income	**473**	16
	6,205	21,540

5. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings wholly repayable within five years	**121**	221
– amount due to a former director	**–**	926
– promissory notes	**1,616**	1,027
– convertible notes	**1,072**	343
	2,809	2,517

6. (LOSS)/PROFIT FOR THE YEAR

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

	2014	2013
	HK$'000	*HK$'000*
Directors' emoluments	**2,471**	2,611
Other staff costs	**4,778**	44,471
Total employee benefits expense	**7,249**	47,082
Auditors' remuneration	**680**	770
Cost of inventories recognised as an expense	**213,746**	208,338
Depreciation of property, plant and equipment	**27**	1,032
Net foreign exchange losses	**105**	117

7. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax	**261**	248

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

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 2014 and 2013 as the PRC subsidiaries did not generate any assessable profits during the years.

8. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2014, nor has any dividend been proposed since the end of the reporting period (2013: Nil).

9. (LOSS)/EARNINGS PER SHARE

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

	2014	2013
	HK$'000	*HK$'000*
(Loss)/Earnings		
(Loss)/Earnings for the purpose of basic (loss)/earnings per share ((Loss)/Profit for the year attributable to owners of the Company)	**(32,867)**	10,168
Effect of dilutive potential ordinary shares:		
– Fair value change on early redemption option embedded in convertible notes	**–**	681
– Interest on convertible notes	**–**	343
(Loss)/Earnings for the purpose of diluted (loss)/earnings per share	**(32,867)**	11,192

	2014 *'000*	2013 *'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**11,122,915**	2,231,653
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 (loss)/earnings per share	**11,122,915**	2,847,807

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the year ended 31 December 2013 has been adjusted for the effect of the Share Subdivision.

The computation of diluted loss per share for the year ended 31 December 2014 did not assume the conversion of the Company's convertible notes and the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

10. TRADE, BILL AND OTHER RECEIVABLES

	2014 *HK$'000*	2013 *HK$'000*
Trade and bill receivables	**19,836**	27,692
Less: Allowance for doubtful debts	**(188)**	(5,451)
	19,648	22,241
Deposits, prepayments and other receivables	**9,165**	10,280
Total trade, bill and other receivables	**28,813**	32,521

The Group allows a credit period from 30 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:

	2014 *HK$'000*	2013 *HK$'000*
0 – 30 days	**11,260**	9,974
31 – 60 days	**4,404**	2,730
61 – 90 days	**2,696**	1,746
Over 90 days	**1,288**	7,791
	19,648	22,241

11. BILL RECEIVABLE DISCOUNTED WITH FULL RECOURSE

The Group allows a credit period from 30 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:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**721**	4,076
31 – 60 days	**202**	537
61 – 90 days	**–**	2,181
	923	6,794

12. HELD-FOR-TRADING INVESTMENTS

	2014	2013
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong, at fair value	**26,848**	22,500

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

13. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**19,995**	29,376
Other payables and accrued charges	**19,380**	12,927
	39,375	42,303

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

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**11,355**	8,116
31 – 60 days	**4,365**	965
61 – 90 days	**2,341**	2,154
Over 90 days	**1,934**	18,141
	19,995	29,376

The credit period on purchase of goods ranges from 30 to 60 days.

14. EVENT AFTER THE REPORTING PERIOD

On 6 March 2015, the Company entered into a best effort basis placing agreement with GF Securities (Hong Kong) Brokerage Limited and Gransing Securities Co., Limited for the placement of up to 2,536,000,000 ordinary shares of the Company to not less than six independent placees who are individuals, institutional or other professional investors at a price of not less than HK$0.245 per share. The placement has not been completed up to the date of this announcement.

DIRECTORS' STATEMENT

On behalf of the board of directors (the "Board" or the "Directors") of Suncorp Technologies Limited (the "Company"), I present to you the annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014.

BUSINESS REVIEW

During the year of review, the Group (i) continued to focus on the sales and marketing of residential telephone products under its licence for the Motorola brand; and (ii) the processing and trading of used computer-related components business.

For the year ended 31 December 2014, the Group's turnover amounted to approximately HK$241.1 million, compared to HK$293.4 million reported in 2013, representing a decrease of approximately 17.8%. In relation to the Group's turnover, approximately 80.6% resulted from sales of telephone products and 19.4% resulted from the processing and trading of used computer-related components business. Gross profit from operation for the year under review was approximately HK$27.4 million, compared to a gross profit of approximately HK$36.8 million reported in 2013, representing a decrease of approximately 25.5%. The net loss was approximately HK$32.9 million, which was mainly attributable to (i) the impairment loss on goodwill; and (ii) a decrease in fair value gain on the held-for-trading investments.

As previously reported, Motorola Mobility LLC selected the Company as its exclusive licensee for the Motorola brand for corded and cordless telephones for residential and office use in Europe, The 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 are believed to be better in 2015.

OUTLOOK AND PROSPECT

The Group has recently signed an extension to the existing licence for the Motorola brand through until 2020.

In March 2015, the Board announced that the Company has entered into a business cooperation agreement with Shanghai ChinaPay Electronic Payment Service Co., Ltd (being an indirect company of China UnionPay Co., Ltd, a domestic bankcard association and an authorized interbank clearing institution established under the approval of the People's Bank of China) to jointly promote and develop cross-border payment platform and e-commerce co-operation in Europe. Leveraging on the Group's established business network in Europe and the brand name of "China UnionPay", the Group will commence procuring new merchants in Europe to implement the payment gateway of "China UnionPay". The Group will continue to explore business opportunities which could complement the Group's current telephone, cross-border payment and e-commerce business.

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 contribution to the Group during the year. We are committed to deploy more resources and to focus our business in cross-border payment and e-commerce business associated with "China UnionPay" and to maximize value for our shareholders in the long run.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 December 2014, the Group recorded a turnover of approximately HK$241.1 million which represented a decrease of approximately 17.8% as compared to the corresponding figure for the year ended 31 December 2013. The gross profit for the year under review was approximately HK$27.4 million as compared to approximately HK$36.8 million for the previous year.

During the year, the Group continued to focus on the sales and marketing of residential telephone products under its licence for the Motorola brand and the processing and trading of used computer-related components business. The turnover and the gross profit for the year ended 31 December 2014 are set out as below:

	Telephones and related equipment *HK$'000*	**Used computer-related components** *HK$'000*
Turnover	194,497	46,674
Gross profit	23,578	3,847

LIQUIDITY AND FINANCIAL RESOURCES

The decrease in current ratio from 1.54 to 1.03 was mainly due to a decrease in bank balances and cash.

As at 31 December 2014, the Group had cash on hand of approximately HK$8.8 million, net current assets of approximately HK$2.0 million, total assets of approximately HK$76.0 million and shareholders' equity of approximately HK$12.6 million.

As at 31 December 2014, the Group has outstanding bank borrowings of approximately HK$2.1 million (2013: 6.8 million).

GENERAL RATIO

As at 31 December 2014, the Group's gearing ratio is 174%, calculated based on the Group's promissory notes and bank loan with an aggregate amount of approximately HK$21.9 million and the Group's shareholder fund of approximately HK$12.6 million.

CAPITAL STRUCTURE

During the year ended 31 December 2014, 31,326,300 shares and 5,630,000,000 shares were issued upon the exercise of the share options and convertible notes respectively.

EXCHANGE RATE

All sales in the current year were denominated in United States dollars, whilst the majority of the Group's expenses were denominated in United States dollars and Hong Kong dollars.

INVESTMENTS

Save for the disposal of wholly-owned subsidiaries (including Suncorp Communications Limited, Mondial Communications Limited, HB Electronics (China) Limited, Suncorp Industrial (China) Limited, Bamboo Bay Investments Limited, SGW Electronics Limited, Suncorp Information Technologies Limited, Tak San Development Limited and 深圳家昌通訊設備有限公司), 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.

The Company had disposed of its entire interest in SCL and MCL in April 2014. Based on the legal advice sought, disposition of SCL and MCL by the Company would not effect the Order made by the Court on 1 June 2011. However, as previously set out, based on legal advice sought, as the Claims sought have already been fully set-off, there is no solid legal foundation on the part of the liquidators of SIL to mount any claim against the Company.

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, 532,200,000 share options had been granted by the Group to the 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 2014 (2013: NIL).

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 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 2014, the Group had applied the principles as set out in the Code and Corporate Governance Report (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 2014 to 31 December 2014; and unless otherwise stated, which in the opinion of the Board, are not appropriate to follow.

The Company conducts periodic review on its corporate governance practices to ensure that the Company can meet the requirements of the CG Code on an on-going basis. The key corporate governance principles and practices of the Company are summarized as below:

Pursuant to Code Provision A.2.1 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 develop and 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 2014.

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 that we will work tirelessly to improve the Company's performance and to maximize value of our shareholders in the long run.

By order of the Board
Suncorp Technologies Limited
Zhu Xiao Dong
Executive Director

Hong Kong, 25 March 2015

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Zhu Xiao Dong, Mr. Malcolm Stephen Jacobs-Paton, Mr. Wang Zhen Dong, Mr. Xiao Qingmin, Ms. Wang Yan and three independent non-executive Directors, namely Ms. Lu Bei Lin, Mr. Lee Ho Yiu, Thomas and Mr. Lee Ka Sing, Joseph.