Suncorp

Suncorp Technologies Limited

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

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 2015 together with the comparative figures in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	**2015 (Unaudited) *HK$'000***	2014 (Unaudited) *HK$'000*
Revenue	3	**149,065**	101,634
Cost of sales		**(131,109)**	(88,468)
Gross profit		**17,956**	13,166
Other income and gains	4	**1,122**	5,848
Distribution and selling expenses		**(16,510)**	(12,567)
Operating expenses		**(30,230)**	(7,014)
Fair value gain/(loss) on held-for-trading investments		**5,523**	(13,409)
Fair value loss on early redemption option embedded in convertible notes		**–**	(1,127)
Finance costs		**(603)**	(2,093)

	Notes	**2015** **(Unaudited)** ***HK$'000***	2014 (Unaudited) *HK$'000*
Loss before tax		**(22,742)**	(17,196)
Income tax expense	5	**(13)**	(222)
Loss for the period	6	**(22,755)**	(17,418)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations			
– Exchange loss arising during the period		**(123)**	–
– Reclassification adjustment for the cumulative gain included in profit or loss upon disposal of foreign operations		**–**	(264)
Fair value gain on available-for-sale investments		**3**	–
Other comprehensive expense for the period		**(120)**	(264)
Total comprehensive expense for the period		**(22,875)**	(17,682)
Loss per share (HK cents)	7		
– Basic		**(0.16)**	(0.19)
– Diluted		**(0.16)**	(0.19)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2015 (Unaudited) HK$'000	At 31 December 2014 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**90**	117
Available-for-sale investments		**26,003**	–
Goodwill		**10,403**	10,403
		36,496	10,520
Current assets			
Inventories		**4,775**	36
Trade, bill and other receivables	9	**67,082**	28,813
Bill receivable discounted with full recourse		**–**	923
Held-for-trading investments		**56,476**	26,848
Bank balances and cash		**482,291**	8,816
		610,624	65,436
Current liabilities			
Trade and other payables	10	**74,265**	39,375
Advance drawn on bill receivable discounted with full recourse		**–**	923
Bank loan		**840**	1,180
Promissory notes		**21,271**	20,704
Current tax liabilities		**1,234**	1,221
		97,610	63,403
Net current assets		**513,014**	2,033
Total assets less current liabilities		**549,510**	12,553
Capital and reserves			
Share capital	11	**4,556**	3,849
Reserves		**544,954**	8,704
Total equity		**549,510**	12,553

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital *HK$'000*	Share premium *HK$'000*	Other capital reserve *HK$'000*	Translation reserve *HK$'000*	Convertible notes equity reserve *HK$'000*	Revaluation reserve *HK$'000*	Share options reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 January 2014 (Audited)	2,151	508,055	14,945	264	5,642	–	4,048	(543,745)	(8,640)
Loss for the period	–	–	–	–	–	–	–	(17,418)	(17,418)
Other comprehensive expense for the period									
Exchange differences on translating foreign operations									
– Reclassification adjustment for the cumulative gain included in profit or loss upon disposal of foreign operations	–	–	–	(264)	–	–	–	–	(264)
	–	–	–	(264)	–	–	–	–	(264)
Total comprehensive expense for the period	–	–	–	(264)	–	–	–	(17,418)	(17,682)
Issue of shares on conversion of convertible notes	1,689	55,592	–	–	(5,561)	–	–	–	51,720
Release of convertible notes equity reserve on upon redemption of convertible note	–	–	–	–	(81)	–	–	(16)	(97)
Issue of shares on exercise of share options	9	2,100	–	–	–	–	(809)	–	1,300
At 30 June 2014 (Unaudited)	3,849	565,747	14,945	–	–	–	3,239	(561,179)	26,601
At 1 January 2015 (Audited)	**3,849**	**565,747**	**14,945**	**–**	**–**	**–**	**4,640**	**(576,628)**	**12,553**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(22,755)**	**(22,755)**
Other comprehensive expense for the period									
Exchange differences on translating foreign operations									
– Exchange loss arising during the period	**–**	**–**	**–**	**(123)**	**–**	**–**	**–**	**–**	**(123)**
Fair value gain on available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**3**	**–**	**–**	**3**
	–	**–**	**–**	**(123)**	**–**	**3**	**–**	**–**	**(120)**
Total comprehensive expense for the period	**–**	**–**	**–**	**(123)**	**–**	**3**	**–**	**(22,755)**	**(22,875)**
Reconciliation of equity-settled share based payments	**–**	**–**	**–**	**–**	**–**	**–**	**15,531**	**–**	**15,531**
Issue of shares by way of placing	**612**	**491,908**	**–**	**–**	**–**	**–**	**–**	**–**	**492,520**
Issue of shares on exercise of share options	**95**	**54,091**	**–**	**–**	**–**	**–**	**(2,405)**	**–**	**51,781**
At 30 June 2015 (Unaudited)	**4,556**	**1,111,746**	**14,945**	**(123)**	**–**	**3**	**17,766**	**(599,383)**	**549,510**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net cash used in operating activities	**(38,003)**	(8,572)
Net cash used in investing activities	**(31,437)**	(276)
Net cash generated from/(used in) financing activities	**543,038**	(5,222)
Net increase/(decrease) in cash and cash equivalents	**473,598**	(14,070)
Effect of foreign exchange rate changes	**(123)**	–
Cash and cash equivalents at the beginning of the period	**8,816**	35,413
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**482,291**	21,343

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. Basis of preparation

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".

2. Principal accounting policies

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 and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, certain amendments to 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 application of the amendments to HKFRSs in the current interim period has had no material effect on amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed 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 period.

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

Six months ended 30 June 2015

	Telephones and related equipment *HK$'000*	**Used computer-related components** *HK$'000*	**Total** *HK$'000*
Revenue			
External sales	**135,714**	**13,351**	**149,065**
Segment (loss)/profit	**(464)**	**113**	**(351)**
Interest income on bank deposits			**3**
Fair value gain on held-for-trading investments			**5,523**
Share-based payments			**(15,531)**
Unallocated expenses			**(11,783)**
Finance costs			**(603)**
Loss before tax			**(22,742)**

Six months ended 30 June 2014

	Telephones and related equipment *HK$'000*	Used computer-related components *HK$'000*	Total *HK$'000*
Revenue			
External sales	82,380	19,254	101,634
Segment (loss)/profit	(6,444)	1,334	(5,110)
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 loss on held-for-trading investments			(13,409)
Fair value loss on early redemption option embedded in convertible notes			(1,127)
Unallocated expenses			(937)
Finance costs			(2,093)
Loss before tax			(17,196)

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

Segment assets

	At 30 June 2015 (Unaudited) *HK$'000*	At 31 December 2014 (Audited) *HK$'000*
Telephones and related equipment	**43,126**	21,766
Used computer-related components	**18,570**	18,526
Total segment assets	**61,696**	40,292
Unallocated assets	**585,424**	35,664
Consolidated assets	**647,120**	75,956

Segment liabilities

	At 30 June 2015 (Unaudited) *HK$'000*	At 31 December 2014 (Audited) *HK$'000*
Telephones and related equipment	**62,789**	38,613
Used computer-related components	**1,969**	1,685
Total segment liabilities	**64,758**	40,298
Unallocated liabilities	**32,852**	23,105
Consolidated liabilities	**97,610**	63,403

4. Other income and gains

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Gain on disposal of subsidiaries	**–**	5,427
Gain on repayment of promissory note	**–**	38
Gain on redemption of convertible notes	**–**	14
Net foreign exchange gain	**427**	141
Interest income on bank deposits	**3**	1
Management fee income	**218**	218
Sundry income	**474**	9
	1,122	5,848

5. Income tax expense

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax	**13**	222

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

6. Loss for the period

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Cost of inventories recognised as an expense	**131,109**	88,468
Depreciation of property, plant and equipment	**27**	18
Staff costs including directors' emoluments	**14,098**	3,197

7. Loss per share

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

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	**(22,755)**	(17,418)

	Six months ended 30 June	
	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**13,885,937,429**	9,387,198,958

The computation of diluted loss per share for the six months ended 30 June 2015 and 2014 does not assume 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 2015 and 2014.

9. Trade, bill and other receivables

	At 30 June	At 31 December
	2015	2014
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade and bill receivables	**42,854**	19,836
Less: Allowance for doubtful debts	**(188)**	(188)
	42,666	19,648
Deposits, prepayments and other receivables	**24,416**	9,165
Total trade, bill and other receivables	**67,082**	28,813

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:

	At 30 June 2015 (Unaudited) *HK$'000*	At 31 December 2014 (Audited) *HK$'000*
0-30 days	**4,072**	11,260
31-60 days	**21,374**	4,404
61-90 days	**14,674**	2,696
Over 90 days	**2,546**	1,288
	42,666	19,648

10. Trade and other payables

	At 30 June 2015 (Unaudited) *HK$'000*	At 31 December 2014 (Audited) *HK$'000*
Trade payables	**38,816**	19,995
Other payables and accrued charges	**35,449**	19,380
	74,265	39,375

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

	At 30 June 2015 (Unaudited) *HK$'000*	At 31 December 2014 (Audited) *HK$'000*
0-30 days	**4,628**	11,355
31-60 days	**24,163**	4,365
61-90 days	**117**	2,341
Over 90 days	**9,908**	1,934
	38,816	19,995

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

11. Share capital

Ordinary shares of HK$0.0003 each

	Number of shares	Share capital
		HK$'000
Authorised:		
At 1 January 2015 and at 30 June 2015	2,000,000,000,000	600,000
Issued and fully paid:		
At 1 January 2015	12,830,841,870	3,849
Issue of shares by way of placing	2,040,900,000	612
Issue of shares on exercise of share options	314,926,300	95
At 30 June 2015	15,186,668,170	4,556

12. Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at 30/06/2015 HK$'000	Fair value as at 31/12/2014 HK$'000	Fair value hierarchy	Valuation technique(s) and key input(s)
Listed equity securities in Hong Kong classified as held-for-trading investments in the condensed consolidated statement of financial position	**56,476**	26,848	Level 1	Quoted bid prices in an active market
Unlisted investment fund classified as available-for-sale investments in the condensed consolidated statement of financial position	**26,003**	–	Level 2	Net asset value

13. Events after the end of the interim period

(a) 29,063,150 share options were exercised on 2 July 2015 resulting in the issue of 29,063,150 shares of HK$0.0003 each.

(b) Pursuant to a special resolution passed by the shareholders of the Company on 13 July 2015, an amount standing to the credit of the share premium account in the sum of approximately HK$1,057,455,000 was reduced with such amount of the credit arising therefrom to first set-off the accumulated losses of the Company in the sum of approximately HK$616,202,000 and the remaining of approximately HK$441,253,000 was transferred to the contributed surplus account of the Company.

DIRECTOR'S STATEMENT

On behalf of Board of the Company, I present to you the interim results of the Group for the six months ended 30 June 2015.

BUSINESS REVIEW

During the six months 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 six months ended 30 June 2015, the Group's turnover amounted to approximately HK$149.1 million, compared to HK$101.6 million reported in 2014, representing an increase of approximately 46.7%. In relation to the Group's turnover, approximately 91.0% resulted from sales of telephone products and 9.0% resulted from the processing and trading of used computer-related components business. Gross profit from operation for the period under review was approximately HK$18.0 million, compared to a gross profit of approximately HK$13.2 million reported in 2014, representing an increase of approximately 36.4%. The net loss increased from approximately HK$17.4 million for the corresponding period last year to approximately HK$22.8 million for the current period, representing an increase of approximately 30.6%. Such increase in net loss was mainly due to the increase in operating expenses.

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, 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 stable in 2015.

OUTLOOK AND PROSPECT

In March 2015, the Company has entered into a business cooperation agreement with Shanghai ChinaPay Electronic Payment Service Co., Ltd ((“**Shanghai ChinaPay**”), being a wholly owned subsidiary of China UnionPay Co., Ltd (“**China UnionPay**”), 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.

In May 2015, the Company has entered into a cooperation agreement with Guangzhou e-UnionPay Network Payment Co., Ltd. ((“**Guangzhou e-UnionPay**”), being an associated company of China UnionPay) to provide the online payment services and cross-border settlement services which supported purchases through the Company's e-commerce platforms by Guangzhou e-UnionPay.

Upon completion of the fund raising in April 2015, the Company started to deploy resources to execute the cooperation agreements with Shanghai ChinaPay and Guangzhou e-UnionPay. In addition, in view of the financial knowledge and the Group's cash position, the Directors are of the view that it is a suitable time for the Group to take a more active approach in diversifying the Group business sector including securities trading and other financial investment.

The Group will continue to explore business opportunities which could complement the Group's current 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 period. 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 AND DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2015, the Group recorded a turnover of approximately HK$149.1 million which represented an increase of approximately 46.7% as compared to the corresponding figure for the six months ended 30 June 2014.

The gross profit for the period under review was approximately HK$18.0 million as compared to approximately HK$13.2 million for the previous period.

The net loss for the period was approximately HK$22.8 million.

During the period, 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, gross profit and net profit/loss for the period ended 30 June 2015 are set out as below:

	Telephones and related equipment *HK$'000*	**Used computer-related components** *HK$'000*
Turnover	135,714	13,351
Gross profit	16,887	1,069
Net (loss)/profit	(464)	113

Liquidity and Financial Resources

The increase in current ratio from 1.03 to 6.26 was mainly due to an increase in net proceeds as a result of the shares placement in April 2015.

As at 30 June 2015, the Group had cash on hand of approximately HK$482.3 million, net current assets of approximately HK$513.0 million, total assets of approximately HK$647.1 million and shareholders' equity of approximately HK$549.5 million.

As at 30 June 2015, the Group has outstanding bank borrowings of approximately HK$0.8 million.

Gearing Ratio

As at 30 June 2015, the Group's gearing ratio is 0.04, calculated based on the Group's outstanding promissory notes and bank loan with an aggregate amount of approximately HK$22.1 million and the Group's shareholders' fund of approximately HK$549.5 million.

Capital Structure

For the six months ended 30 June 2015, 314,926,300 shares and 2,040,900,000 shares were issued upon the exercise of the share options and the share placing respectively.

Exchange Rate

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

Investments

During the six months ended 30 June 2015, there were no material acquisitions or disposals of subsidiaries and associated companies.

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 30 June 2015, 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.

As at 30 June 2015, the Group and the Company do not have any significant contingent liabilities.

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 directors and employees in accordance with the share option scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 June 2015, 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 The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of 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$0.0003 each of the Company

Name of directors	No. of shares held	No. of underlying shares held in options granted under the Share Option Scheme	Percentage of the issued share capital of the Company *(Note 1)*
Zhu Xiao Dong *(Note 2)*	–	126,800,000	0.83
Malcolm Stephen JACOBS-PATON	5,260,780	20,000,000	0.17
Wang Zhen Dong	–	126,800,000	0.83
Xiao Qingmin	–	142,463,150	0.94

Note:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 15,186,668,170 as at 30 June 2015.

2. Mr. Zhu Xiao Dong subsequently resigned as director on 4 August 2015.

SHARE OPTIONS

On 4 May 2012, a share option scheme (the "**Share Option Scheme**") was adopted by shareholders at the annual general meeting, under which the Directors may, at their discretion, grant share options to eligible persons including Directors and employees to subscribe share in the Company. The Board had granted to eligible grantees the share options to subscribe for 156,631,500 ordinary shares of HK$0.0003 each on 7 October 2013 under the Share Option Scheme. On 10 December 2014, the Board had granted to eligible grantees the share options to subscribe for 1,268,000,000 ordinary shares of HK$0.0003 each under the Share Option Scheme.

At 30 June 2015, the number of shares in respect of which share options could be exercisable under the terms of the Share Option Scheme was 415,315,750 shares, representing approximately 2.73% of the shares of the Company in issue at that date. All share options are currently held by directors, employees and consultants of the Group. 314,926,300 share options were exercised to subscribe for the same amount of ordinary shares of HK$0.0003 each during the six months ended 30 June 2015.

Saved as disclosed above, at no time during the six months ended 30 June 2015 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2015, save as disclosed below, 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.

Name of shareholder with over 5% shareholding	**Capacity**	**Nature of Interest**	**Long or short position**	**Number of shares**	**Percentage of the issued share capital of the Company** *(Note 1)*
Cloud Dynasty (Macau) Limited *(Note 2)*	Controlled Company's Interest	Corporate interest	Long Position	1,000,000,000	6.58%
Chan Sin Ying *(Note 2)*	Beneficial owner	Beneficial interest	Long Position	1,000,000,000	6.58%
Eugene Finance International Limited *(Note 3)*	Controlled Company's interest	Corporate Interest	Long Position	1,300,000,000	8.56%
Xiao Lili *(Note 3)*	Beneficial owner	Beneficial interest	Long Position	1,300,000,000	8.56%
Orchid Touch Limited *(Note 4)*	Controlled Company's interest	Corporate Interest	Long Position	1,300,000,000	8.56%
So Ka Yan *(Note 4)*	Beneficial owner	Beneficial interest	Long Position	1,300,000,000	8.56%

Notes:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 15,186,668,170.

2. Cloud Dynasty (Macau) Limited ("**Cloud Dynasty**") is entitled to be allotted 1,000,000,000 shares upon full conversion of convertible notes and thus Cloud Dynasty is directly interested in 1,000,000,000 shares in the Company. Cloud Dynasty is wholly owned by Chan Sin Ying. Chan Sin Ying is therefore deemed to be interested in 1,000,000,000 shares in the Company.

3. Eugene Finance International Limited ("**Eugene Finance**") is entitled to be allotted 1,300,000,000 shares upon full conversion of convertible notes and thus Eugene Finance is directly interested in 1,300,000,000 shares in the Company. Eugene Finance is wholly owned by Xiao Lili. Xiao Lili is therefore deemed to be interested in 1,300,000,000 shares in the Company.

4. Orchid Touch Limited ("**Orchid Touch**") is entitled to be allotted 1,300,000,000 shares upon full conversion of convertible notes and thus Orchid Touch is directly interested in 1,300,000,000 shares in the Company. Orchid Touch is wholly owned by So Ka Yan. So Ka Yan is therefore deemed to be interested in 1,300,000,000 shares in 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. Man Yuan who has been appointed on 17 June 2015, of which Mr. Lee Ho Yiu, Thomas is the chairman. The unaudited financial statements of the Group for the six months ended 30 June 2015 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 deviations as follows:

Chairman and Chief Executive Officer

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. Mr. Zhu Xiao Dong has been appointed as the chairman of the Company on 13 April 2015 and subsequently resigned on 4 August 2015. In view of the current business 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 different 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.

Attendance of Annual General Meeting

Pursuant to Code Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged business commitments, Ms. Lu Bei Lin and Mr. Lee Ka Sing, Joseph, being the independent non-executive director of the Company, were not present at the annual general meeting of the Company held on 7 May 2015.

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 six months ended 30 June 2015.

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

During the six months ended 30 June 2015, 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
Wang Zhen Dong
Executive Director

Hong Kong, 20 August 2015

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