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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 2016

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 2016 together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** ***HK$'000***	2015 *HK$'000*
Revenue	*3*	**263,523**	301,514
Costs of sales		**(218,370)**	(259,875)
Gross profit		**45,153**	41,639
Other income and gains	*4*	**11,880**	1,521
Distribution and selling expenses		**(22,631)**	(35,341)
Operating expenses		**(51,853)**	(62,462)
Impairment loss on goodwill		**–**	(10,403)
Impairment loss on available-for-sale investments		**–**	(18,978)
Unrealised (loss)/gains on held-for-trading investments		**(38,809)**	135,667
Realised gains on held-for-trading investments		**4,052**	–
Finance costs	*5*	**(14)**	(724)
(Loss)/profit before tax		**(52,222)**	50,919
Income tax expense	*7*	**(130)**	–
(Loss)/profit for the year	*6*	**(52,352)**	50,919

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

For the year ended 31 December 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale investments			
– Change in fair value		**7,118**	(18,978)
– Reclassification adjustment for the loss included in profit or loss on impairment		**–**	18,978
Exchange differences on translating foreign operations			
– Exchange loss arising during the year		**(476)**	(2,243)
		6,642	(2,243)
Total comprehensive (loss)/income for the year		**(45,710)**	48,676
(Loss)/profit for the year attributable to owners of the Company		**(52,352)**	50,919
Total comprehensive (loss)/income for the year attributable to owners of the Company		**(45,710)**	48,676
(Loss)/earnings per share (HK cents)	*9*		
– Basic		**(0.34)**	0.35
– Diluted		**(0.34)**	0.34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**2,456**	2,671
Available-for-sale investments		**14,140**	7,022
Deposits		**205**	–
		16,801	9,693
Current assets			
Trade and other receivables	*10*	**90,802**	120,451
Loans receivable	*11*	**169,066**	–
Bill receivable discounted with full recourse	*12*	**941**	1,245
Held-for-trading investments	*13*	**240,486**	237,420
Cash and bank balances			
– Segregated accounts		**11,453**	–
– House accounts		**125,842**	312,380
		638,590	671,496
Current liabilities			
Trade and other payables	*14*	**60,530**	54,591
Advance drawn on bill receivable discounted with full recourse		**941**	1,245
Bank loan		**–**	488
Current tax liabilities		**1,351**	1,221
		62,822	57,545
Net current assets		**575,768**	613,951
Total assets less current liabilities		**592,569**	623,644
Capital and reserves attributable to owners of the Company			
Share capital		**4,564**	4,564
Reserves		**588,005**	619,080
Total equity		**592,569**	623,644

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 HM 11, Bermuda and Unit 1201-05, 12/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, respectively.

The Company and its subsidiaries (the "**Group**") principally engage in the design and sales of telephones and related products, processing and trading of used computer-related components, provision of brokerage, placing and underwriting services, money lending service in Hong Kong and B2B cross-border e-commerce and payment business.

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 and revised standards, amendments and interpretations ("**new and revised HKFRSs**") issued by the HKICPA, which are effective for the Group's financial year beginning on or after 1 January 2016.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments shall be applied prospectively.

The amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for postemployment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in opening retained earnings of the earliest comparative period presented.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere in the interim financial report. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The application of the said amendments to HKFRSs has had no material effect on the Group's consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to HKFRS 10 Consolidated Financial Statements, HKFRS 12 Disclosure of Interests in Other Entities and HKAS 28 Investments in Associates and Joint Ventures clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment entity parent, applies only to subsidiaries that are not investment entities themselves.

The application of these amendments to HKFRS 10, HKFRS 12 and HKAS 28 has had no material impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any subsidiary, associate or joint venture that qualifies as an investment entity.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 regarding impairment testing of a cash-generating unit ("**CGU**") to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The application of these amendments to HKFRS 11 has had no material impact on the Group's consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

The application of these amendments to HKAS 1 has had no material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the application of these amendments to HKAS 16 and HKAS 38 has had no material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost;
- in accordance with HKFRS 9 Financial Instruments (or HKAS 39 for entities that have not yet adopted HKFRS 9);
- using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards.

The directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

The application of the other new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and on the disclosures set out in these 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 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[2]
HKFRS 4 (Amendments)	Insurance Contracts[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
HKAS 7 (Amendments)	Disclosure Initiative[1]
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[1]

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

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

3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

4 Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9

- All recognised financial assets that are within the scope of HKAS 39 to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may impact the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The Group is in the process of assessing the potential impact of the other new and revised HKFRSs upon initial application but is not yet in a position to state whether the other new and revised HKFRSs, will have a significant impact on the Group's financial performance and position.

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, interest income from provision of money lending services, commission income from provision of brokerage, placing and underwriting services and income from provision of e-commerce service 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) Design and sales of telephones and related components

(ii) Processing and trading of used computer-related components

(iii) Money lending services

(iv) Provision of brokerage, placing and underwriting services

(v) B2B cross-border e-commerce and payment business

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 2016

	Telephones and related components *HK$'000*	Used computer-related components *HK$'000*	Money lending *HK$'000*	Provision of brokerage, placing and underwriting services *HK$'000*	B2B cross-border e-commerce and payment *HK$'000*	Total *HK$'000*
Revenue						
External sales and services	**177,462**	**55,053**	**12,616**	**7,417**	**10,975**	**263,523**
Segment (loss)/profit	**(2,682)**	**360**	**12,599**	**3,151**	**(10,563)**	**2,865**
Interest income on bank deposits						**6**
Unrealised loss on held-for-trading investments						**(38,809)**
Realised gains on held-for-trading investments						**4,052**
Dividend income from available-for-sale investments						**11,421**
Unallocated expenses						**(31,743)**
Finance costs						**(14)**
Loss before tax						**(52,222)**

For the year ended 31 December 2015

	Telephones and related components *HK$'000*	Used computer-related components *HK$'000*	Total *HK$'000*
Revenue			
External sales	252,993	48,521	301,514
Segment profit/(loss)	2,464	(10,786)	(8,322)
Interest income on bank deposits			20
Unrealised gains on held-for-trading investments			135,667
Impairment loss on available-for-sale investments			(18,978)
Unallocated expenses			(56,744)
Finance costs			(724)
Profit before tax			50,919

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 interest income, dividend income, realised/unrealised gain/(loss) on held-for-trading investments, impairment loss on available-for-sale investments, unallocated expenses such as central administrative costs 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

As at 31 December 2016

	Telephones and related components *HK$'000*	**Used computer-related components** *HK$'000*	**Money lending** *HK$'000*	**Provision of brokerage, placing and underwriting services** *HK$'000*	**B2B cross-border e-commerce and payment** *HK$'000*	**Total** *HK$'000*
Assets						
Segment assets	**23,188**	**7,683**	**170,058**	**90,815**	**14,792**	**306,536**
Unallocated assets						**348,855**
						655,391
Liabilities						
Segment liabilities	**(39,556)**	**(1,726)**	**(134)**	**(12,404)**	**(3,604)**	**(57,424)**
Unallocated liabilities						**(5,398)**
						(62,822)

As at 31 December 2015

	Telephones and related components *HK$'000*	Used computer-related components *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	38,500	7,950	46,450
Unallocated assets			634,739
			681,189
Liabilities			
Segment liabilities	(53,501)	(1,655)	(55,156)
Unallocated assets			(2,389)
			(57,545)

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

- all assets are allocated to operating segments other than available-for-sale investments, held-for-trading investments and other unallocated corporate assets; and

- all liabilities are allocated to operating segments other than bank loan and other unallocated corporate liabilities.

Other segment information

2016

	Telephones and related components *HK$'000*	Used computer-related components *HK$'000*	Money lending *HK$'000*	Provision of brokerage, placing and underwriting services *HK$'000*	B2B cross-border e-commerce and payment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Addition to property, plant and equipment	–	–	–	301	537	–	838
Depreciation of property, plant and equipment	–	–	–	155	239	595	989
Impairment loss on trade receivables	156	–	–	–	–	–	156

2015

	Telephones and related equipment *HK$'000*	Used computer-related components *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Addition to property, plant and equipment	–	–	2,873	2,873
Depreciation of property, plant and equipment	–	–	319	319
Impairment loss on goodwill	–	10,403	–	10,403

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	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China ("**PRC**") (including Hong Kong)	**78,562**	72,994	**2,456**	2,671
Malaysia	**25,829**	40,922	**–**	–
Spain	**13,971**	28,326	**–**	–
England	**356**	419	**–**	–
Singapore	**21,400**	11,585	**–**	–
Italy	**25,141**	61,395	**–**	–
Netherlands	**4,680**	8,417	**–**	–
India	**32,208**	32,184	**–**	–
Korea	**9,040**	11,487	**–**	–
Egypt	**4,022**	5,892	**–**	–
Indonesia	**11,329**	–	**–**	–
Australia	**10,092**	–	**–**	–
Others	**26,893**	27,893	**–**	–
	263,523	301,514	**2,456**	2,671

Note: Non-current assets excluded financial instruments.

Information about major customers

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

	2016	2015
	HK$'000	*HK$'000*
Customer A *(Note 1 and 2)*	**–**	40,922
Customer B *(Note 1 and 2)*	**–**	61,395
Customer C *(Note 1)*	**51,464**	49,021

Note:

1. Revenue from telephones and related equipment.

2. No information on turnover for the current year is disclosed for these customers since it contributed less than 10% to the Group's revenue for the year ended 31 December 2016.

4. OTHER INCOME AND GAINS

	2016	2015
	HK$'000	*HK$'000*
Interest income on bank deposits	**6**	20
Management fee income	**85**	252
Net foreign exchange gain	**–**	377
Dividend income	**11,421**	–
Sundry income	**368**	872
	11,880	1,521

5. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings	**14**	60
– promissory notes	**–**	664
	14	724

6. (LOSS)/PROFIT FOR THE YEAR

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

	2016	2015
	HK$'000	*HK$'000*
Directors' emoluments	**2,060**	10,105
Other staff costs	**12,630**	6,560
Total employee benefits expense	**14,690**	16,665
Auditors' remuneration	**950**	750
Cost of goods sold and services recognised as an expense	**218,370**	259,875
Depreciation of property, plant and equipment	**989**	319
Impairment loss on trade receivables	**156**	–
Net foreign exchange losses	**440**	–

7. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax	**130**	–

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 2016 and 2015 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 2016, nor has any dividend been proposed since the end of the reporting period (2015: 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:

	2016	2015
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/earnings for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	**(52,352)**	50,919

	2016	2015
	HK$'000	*HK$'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**15,215,731**	14,550,961
Effect of dilutive potential ordinary shares:		
– share options	**–**	648,575
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**15,215,731**	15,199,536

The computation of diluted loss per share for the year ended 31 December 2016 did not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

10. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables arising from the ordinary course of business of dealing in securities transactions:		
– Cash clients	**689**	–
– Clearing house	**157**	–
	846	–
Trade receivables from other ordinary course of business, except for business of dealing in securities transactions:	**27,590**	32,701
Less: Allowance for doubtful debts	**(156)**	–
	27,434	32,701
Deposits in brokerage firms	**53,553**	81,490
Deposits, prepayments and other receivables	**8,969**	6,260
Total loans, trade and other receivables	**90,802**	120,451

Trade receivables arising from the business of dealing in securities

The Group seeks to maintain tight control over its outstanding trade receivables and has procedures and policies to assess its clients' credit quality and defines credit limits for each client. All client acceptances and credit limit are approved by designated approvers according to the clients' credit worthiness.

The normal settlement terms of trade receivable from clients and clearing house arising from the ordinary course of business of securities brokerage services are two trading days after the trade date.

Trade receivables due from cash clients are secured by clients' securities, which are publicly traded equity securities listed in Hong Kong. The fair values of the securities as at 31 December 2016 approximate HK$124,121,000. As at 31 December 2016, all balances were secured by sufficient collateral on an individual basis. All trade receivables from cash clients are neither past due nor impaired as at 31 December 2016 and the directors of the Company are of the opinion that the amount are recoverable. Cash client receivables which were past due but not impaired bear interest at interest rates by reference to Hong Kong prime rate plus certain basis points based on management's discretion.

In addition, the Group has a policy for determining the allowance for impairment of trade receivables without sufficient collateral based on the evaluation of collectability and aging analysis of accounts and on management's judgement including the creditworthiness, collateral and the past collection history of each client.

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date the credit was initially granted up to the reporting date and the fair values of the collateral held.

No allowances for impairment loss on trade receivables has been recognised during the year ended 31 December 2016 (2015: Nil).

Trade receivables arising from other businesses

The Group allows a credit period from 30 to 90 days to its customers. The following is an aging analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice dates at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
0 – 30 days	**15,078**	19,943
31 – 60 days	**8,208**	6,918
61 – 90 days	**763**	2,632
Over 90 days	**3,385**	3,208
	27,434	32,701

11. LOANS RECEIVABLE

	2016	2015
	HK$'000	*HK$'000*
0-90 days	**12,331**	–
91-180 days	**3,720**	–
181-365 days	**153,015**	–
Less: allowance for doubtful debts	**169,066**	–
	169,066	–

The loan to customers were repaid in accordance with the terms of the loan agreements.

12. 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:

	2016	2015
	HK$'000	*HK$'000*
0-30 days	**941**	1,245

13. HELD-FOR-TRADING INVESTMENTS

	2016	2015
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong, at fair value	**240,486**	237,420

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

14. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables arising from the ordinary course of business of dealing in securities transactions:		
– Cash clients	**12,202**	–
– Clearing house	**94**	–
Trade payables from purchase of goods other ordinary course of business, except for business of dealing in securities transactions	**30,028**	37,924
Other payables and accrued charges	**18,206**	16,667
	60,530	54,591

Trade payables arising from the business of dealing in securities

The trade payables balances arising from the ordinary course of business of securities brokerage services are normally settled in two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which are repayable on demand. No aging analysis is disclosed as, in the opinion of directors of the Company, an aging analysis does not give additional value in view of the nature of this business.

Trade payables arising from other businesses

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

	2016	2015
	HK$'000	*HK$'000*
0 – 30 days	**12,676**	22,262
31 – 60 days	**8,867**	12,405
61 – 90 days	**8,098**	3,040
Over 90 days	**387**	217
	30,028	37,924

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

DIRECTOR'S 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 2016.

BUSINESS REVIEW

During the year of review, the Group continued (i) to focus in the design, sales and marketing of residential telephone products under its licence for the Motorola brand, as the Company is the exclusive licensee for the Motorola brand for corded and cordless telephones for residential and office in Europe, the Russian Federation, Middle East, Africa and Asia (including China, India, Southeast Asia and Australia); and (ii) the processing and trading of used computer-related components business. During the year of review, the Group also engaged in (iii) providing money lending business; (iv) securities brokerage and underwriting business and (v) the B2B cross-border e-commerce and payment business.

For the year ended 31 December 2016, the Group's revenue amounted to approximately HK$263.5 million, representing a slight decrease of approximately 12.6% compared with the revenue of approximately HK$301.5 million in 2015. In relation to the Group's revenue, approximately 67.4% resulted from sales of telephone products, 20.9% resulted from the processing and trading of used computer-related components business, 4.8% resulted from interest income earned from money lending business, 2.8% contributed by brokerage and underwriting business and 4.1% contributed by B2B cross-border e-commerce and payment business.

Gross profit from operation for the year under review was approximately HK$45.1 million, representing an increase of approximately 8.4% compared with the gross profit of approximately HK$41.6 million for the corresponding period in 2015. The Group's net loss for the year was approximately HK$52.4 million, which was mainly due to the fair value loss on held-for-trading investment of approximately HK$38.8 million recognized during the year.

As at 31 December 2016, the loan portfolio held by the Group was approximately HK$169.1 million and interest income earned from money lending business was approximately HK$12.6 for the year ended 31 December 2016.

OUTLOOK AND PROSPECT

In view of the dynamic change in the market environment, in addition to the core activities in sales and design of residential cordless telephone and trading of computer components, the Group are in line with its business development plan and expansion plan to take a more active approach in diversifying the Company's business sector including money lending business, securities trading and other financial investment.

In respect of the business for Motorola, it is believed that the prospects for the activity relating to design, sales and marketing of telephone products under the Motorola brand in Europe, the Russian Federation, Middle East, Africa, US and Asia (including China, India, Southeast Asia and Australia) will continue to be stable in 2017.

For the cross-border transaction business, we entered into several contracts and have commenced related business during the latter half of 2016, including the provision of cross-border purchasing services for JD.com, an e-commerce merchant in China. In view of the less favourable business environment for cross border e-commerce business in 2016, our progress in this segment fails to meet our schedule as planned. The Group will continue to identify more opportunities for cross-border e-commerce as and when appropriate.

The Group will continue to explore business opportunities which could complement the Group's business segments.

MANAGEMENT AND DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 December 2016, the Group recorded a revenue of approximately HK$263.5 million which represented a decrease of approximately 12.6% as compared to the corresponding figure for the year ended 31 December 2015.

The gross profit for the year under review was approximately HK$45.1 million as compared to approximately HK$41.6 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. In addition, the brokerage firm under the group engaged in securities brokerage and underwriting business, money lending business and B2B cross-border e-commerce and payment business also contributed to revenue of the Group during the year. The revenue, the gross profit and net profit/(loss) for the year ended 31 December 2016 are set out as below:

	Telephones related equipment *HK$'000*	**Used computer-related components** *HK$'000*	**Securities brokerage** *HK$'000*	**Money lending business** *HK$'000*	**E-commerce business** *HK$'000*
Revenue	177,462	55,053	7,417	12,616	10,975
Gross profit	21,795	2,241	7,417	12,616	1,084
Net profit/(loss)	(2,682)	360	3,151	12,599	(10,563)

LIQUIDITY AND FINANCIAL RESOURCES

	2016	2015
Current ratio	**10.18**	11.67
Gearing ratio	**Nil**	0.08%

As at 31 December 2016, the Group had cash on hand of approximately HK$137.3 million, net current assets of approximately HK$638.5 million, total assets of approximately HK$655.3 million and shareholders' equity of approximately HK$592.6 million.

As at 31 December 2015, the Group's gearing ratio is 0.08%, calculated based on the Group's outstanding bank loan with an aggregate amount of approximately HK$0.5 million and the Group's shareholders' fund of approximately HK$623.6 million.

The Group generally financed its operations through internally-generated cash flows and Shareholders' equity.

CAPITAL STRUCTURE

Authorised share capital

As at 31 December 2016, the authorized share capital of the Company was HK$600,000,000 divided into 2,000,000,000,000 Shares of HK$0.0003 each. The authorised share capital had no change during the year.

Issued share capital

As at 31 December 2016, the number of Shares in issue of the Company was HK$4,564,719 divided into 15,215,731,320 Shares of HK$0.0003 each. There was no movement for the number of Shares in issue of the Company during the year.

EXCHANGE RATE

Most of 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, Renminbi and Hong Kong dollars. Although the Group currently does not maintain any hedging policy to hedge against foreign exchange exposure that may arise from the above transactions, the management team continuously assesses the foreign currency exposure, with an aim to minimize the impact of foreign exchange fluctuation on the Group's business operations.

RAISING OF FUNDS AND USE OF PROCEEDS

The Company completed the placing on 13 April 2015, and the net proceeds of the placing were approximately HK$492 million. As at 31 December 2015, the Company has resolved to change the use of the unutilized net proceeds of approximately HK$372 million. For details, please refer to the announcements of the Company dated 6 March 2015, 13 April 2015 and 31 December 2015.

As at 31 December 2016, the Group had utilized approximately HK$40.9 million for marketing and promotion to overseas merchants and setting up offices and marketing terms in the PRC and Europe, approximately HK$14.5 million for the B2B cross-border e-commerce and payment business, approximately HK$276.5 million for securities investment, securities brokerage and money lending business in Hong Kong, approximately HK$22.0 million for the repayment of promissory note issued by the Company and approximately HK$40.3 million for general working capital or potential acquisition opportunities.

As at 31 December 2016, the Group had unutilized net proceeds of approximately HK$97.8 million which approximately HK$18.5 million will be deployed to securities investment, securities brokerage business and money lending business, approximately HK$34.5 million will be deployed for the B2B cross-border e-commerce and payment business, approximately HK$33.1 million will be deployed to continue marketing and promotion to overseas merchants and setting up marketing teams and promotion to overseas merchants and setting up marketing teams globally; and approximately HK$11.7 would be used for general working capital or potential opportunities.

SIGNIFICANT INVESTMENTS

As at 31 December 2016, total market value for the held-for-trading investments of the Group was approximately HK$240.5 million, representing equity securities listed in Hong Kong. A fair value loss of approximately HK$38.8 million was recognized during the year which was mainly attributable to the investments in GreaterChina Professional Services Limited (HK stock code: 8193) (the "**GreaterChina**") and WLS Holdings Limited (HK stock code: 8021) (the "**WLS Holdings**"). The board considers that investments with market value accounting for more than 5% of the Group's total assets as at 31 December 2015 as significant investment.

As at 31 December 2016, the Group held (i) 233,000,000 shares (approximately 4.80% of total issued share capital) of GreaterChina and (ii) 152,000,000 shares (approximately 1.19% of the total issued share capital) of WLS Holdings. Details of the significant investments, in terms of market value as at 31 December 2016, are as follows:

	For the year ended 31 December 2016			
Company name	**Market value as at 31 December 2016** *HK$'000*	**Proportion to the total assets of the Group** *%*	**Gain/(loss) fair value changes of the investments** *HK$'000*	**Dividends received** *HK$'000*
GreaterChina	149,120	22.8	(27,960)	–
WLS Holdings	34,960	5.3	(19,760)	–
Others	56,406	8.6	8,911	–
	240,486	36.7	(38,809)	–

The GreaterChina and its subsidiaries are principally engaged in the provision of (i) asset advisory services and asset appraisal; (ii) corporate services and consultancy; (iii) media advertising; and (iv) financial services. The WLS Holdings and its subsidiaries are principally engaged in the (i) provision of scaffolding and fitting out services, (ii) management contracting services and other services for construction and building work, (iii) money lending business and (iv) securities investment business.

In addition, the market value for the unlisted fund investment of the Group was approximately HK$14.1 million as at 31 December 2016. During the year under review, dividend income of approximately HK$11.4 million had been received and recognized in profit or loss and fair value gain on the unlisted fund investment of approximately HK$7.1 million had been recognized in the equity.

Except for investments in GreaterChina Professional Services Limited and WLS Holdings Limited held by the Group, there was no other held-for-trading investment held by the Group valued more than 5% of the total assets of the Group as at 31 December 2016. Going forward, the Directors believe that the future performance of the listed investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 December 2016, 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 SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules were as follows:

Long Position

Ordinary shares of HK$0.0003 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
Wang Zhen Dong	–	126,800,000	0.83
Malcolm Stephen JACOBS-PATON	2,500,780	20,000,000	0.15

Note:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 15,215,731,320 as at 31 December 2016.

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, employees and consultants 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. On 1 September 2016, the Board had granted to eligible grantees the share options to subscribe for 1,510,000,000 ordinary shares of HK$0.0003 each under the Share Option Scheme.

At 31 December 2016, the number of shares in respect of which share options could be exercisable under the terms of the Share Option Scheme was 1,853,860,600 shares, representing approximately 12.18% the shares of the Company in issue at that date. All share options are currently held by directors, employees and consultants of the Group.

During the year ended 31 December 2016, no share options were exercised.

Saved as disclosed above, at no time during the year 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 31 December 2016, 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)*
Orchid Touch Limited *(Note 2)*	Controlled Company's Interest	Corporate Interest	Long Position	904,930,000	5.95%
So Ka Yan (Note 2)	Beneficial Owner	Beneficial Interest	Long Position	904,930,000	5.95%
Zhongrong International Trust Co. Ltd.	Controlled Company's Interest	Corporate Interest	Long Position	1,000,000,000	6.57%
Cloud Dynasty (Macau) Limited *(Note 3)*	Controlled Company's Interest	Corporate Interest	Long Position	1,000,000,000	6.57%
Chan Sin Ying *(Note 3)*	Beneficial Owner	Beneficial Interest	Long Position	1,000,000,000	6.57%
Sung Kwan Wun	Beneficial Owner	Beneficial Interest	Long Position	1,016,370,000	6.68%
Eugene Finance International Limited *(Note 4)*	Controlled Company's Interest	Corporate Interest	Long Position	1,300,000,000	8.54%
Xiao Lili *(Note 4)*	Beneficial Owner	Beneficial Interest	Long Position	1,300,000,000	8.54%

Notes:

1. The percentage shareholding is calculated on the basis of the Company's issued share capital of 15,215,731,320.

2. Orchid Touch Limited ("**Orchid Touch**") is directly interested in 904,930,000 shares in the Company. Orchid Touch is wholly owned by So Ka Yan. So Ka Yan is therefore deemed to be interested in 904,930,000 shares in the Company.

3. Cloud Dynasty (Macau) Limited ("**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.

4. Eugene Finance International Limited ("**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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SIGNIFICANT ACQUISITIONS OR DISPOSALS

During the year ended 31 December 2016, 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 affect 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 31 December 2016, 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 31 December 2016, 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 year under review, no 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 2016 (2015: 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 risk management and the internal controls; engaging a professional consultant as the Group's Internal Auditor to discharge the duties of the Group's Internal control and risk management, 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.

The results announcement of the Company for the year ended 31 December 2016 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

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 2016, the Group had applied the principles as set out in the Corporate Governance 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 2016 to 31 December 2016; 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 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 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 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 2016.

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 contribution to the Group during the year.

By order of the Board
Suncorp Technologies Limited
Wang Zhen Dong
Executive Director

Hong Kong, 29 March, 2017

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