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SunCorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 2018 together with the comparative figures in 2017, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Notes	**2018 (Unaudited) *HK$'000***	2017 (Unaudited) *HK$'000*
Revenue		**123,824**	175,707
Cost of sales		**(111,897)**	(159,335)
Gross profit		**11,927**	16,372
Other income and gains	*4*	**70**	11,702
Distribution and selling expenses		**(1,490)**	(7,558)
Operating expenses		**(12,633)**	(16,918)
Realised and unrealised gain/(loss) on financial assets at fair value through profit or loss, net		**8,842**	(211,719)
Finance costs		**(46)**	(33)
Profit/(loss) before tax		**6,670**	(208,154)
Income tax expense	*5*	**(605)**	(118)
Profit/(loss) for the period	*6*	**6,065**	(208,272)

	Notes	**2018** **(Unaudited)** ***HK$'000***	2017 (Unaudited) *HK$'000*
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations			
– Exchange (losses)/gains arising during the period		**(39)**	53
– Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of foreign operations		**–**	363
Reclassification adjustment for the fair value change included in profit or loss upon disposal of available-for-sale investments		**–**	(7,118)
Other comprehensive expense for the period		**(39)**	(6,702)
Total comprehensive income/(expense) for the period		**6,026**	(214,974)
Earnings/(loss) per share (HK cents)	*7*		
– Basic		**0.04**	(1.37)
– Diluted		**0.04**	(1.37)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2018 (Unaudited) HK$'000	At 31 December 2017 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**202**	498
Deposits		**205**	205
		407	703
Current assets			
Inventories		**4,042**	–
Trade and other receivables	*9*	**70,277**	65,150
Bills receivable discounted with full recourse		**3,715**	–
Loan receivables	*10*	**212,358**	188,460
Held-for-trading investments		**–**	68,661
Financial asset at fair value through profit or loss		**69,724**	–
Bank balances and cash – Segregated accounts		**57,873**	15,390
Bank balances and cash – House accounts		**63,412**	85,533
		481,401	423,194
Current liabilities			
Trade and other payables	*11*	**99,866**	52,181
Advance drawn on bill receivable discounted with full recourse		**3,715**	–
Bank loan		**1,267**	1,535
Current tax liabilities		**1,243**	640
		106,091	54,356
Net current assets		**375,310**	368,838
Total assets less current liabilities		**375,717**	369,541
Capital and reserves			
Share capital	*12*	**4,564**	4,564
Reserves		**371,153**	364,977
Total equity		**375,717**	369,541

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other capital reserve	Contributed surplus	Translation reserve	Investment revaluation reserve	Share option reserve	Retained profits/ (accumulated losses)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2017 (Audited)	4,564	57,856	14,945	441,253	(534)	7,118	22,399	44,968	592,569
Loss for the period	–	–	–	–	–	–	–	(208,272)	(208,272)
Other comprehensive expense for the period									
Exchange differences on translating foreign operations									
– Exchange gains arising during the period	–	–	–	–	53	–	–	–	53
– Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of foreign operation	–	–	–	–	363	–	–	–	363
– Reclassification adjustment for the fair value changes included in profit or loss upon disposal of available-for-sale investments	–	–	–	–	–	(7,118)	–	–	(7,118)
Total comprehensive expense for the period	–	–	–	–	416	(7,118)	–	(208,272)	(214,974)
Recognition of equity-settled share based payments	–	–	–	–	–	–	347	–	347
At 30 June 2017 (Unaudited)	4,564	57,856	14,945	441,253	(118)	–	22,746	(163,304)	377,942
At 1 January 2018 (Audited)	**4,564**	**57,856**	**14,945**	**441,253**	**(36)**	**–**	**23,075**	**(172,116)**	**369,541**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,065**	**6,065**
Other comprehensive expense for the period									
Exchange differences on translating foreign operations									
– Exchange losses arising during the period	**–**	**–**	**–**	**–**	**(39)**	**–**	**–**	**–**	**(39)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(39)**	**–**	**–**	**6,065**	**6,026**
Recognition of equity-settled share based payments	**–**	**–**	**–**	**–**	**–**	**–**	**150**	**–**	**150**
At 30 June 2018 (Unaudited)	**4,564**	**57,856**	**14,945**	**441,253**	**(75)**	**–**	**23,225**	**(166,051)**	**375,717**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2018

	2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Net cash used in operating activities	**(25,531)**	(42,272)
Net cash generated from investing activities	**2**	7,003
Net cash generated from/(used in) financing activities	**3,447**	(33)
Net decrease in cash and cash equivalents	**(22,082)**	(35,302)
Effect of foreign exchange rate changes	**(39)**	53
Cash and cash equivalents at the beginning of the period	**85,533**	125,842
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**63,412**	90,593

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

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 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

(a) Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from the following major sources:

- Design and sales of telephones and related products
- Processing and trading of used computer-related components
- Interest income earned from money lending business
- Provision of securities broking services
- Provision of online payment services and cross-border settlement services

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Difference at the date of initial application, if any, is recognised in the opening accumulated losses and comparative information has not been restated.

Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- 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 Group satisfies a performance obligation.

Under HKFRS 15, the Group 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.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The revenue of the Group is recognised at a point in time. The application of HKFRS 15 does not have significant impact on the amounts reported in the condensed consolidated financial statements.

(b) Impacts and changes in accounting policies of application of HKFRS 9 "Financial Instruments"

In the current period, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables and loan receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are made based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed below.

Impairment under ECL model

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.

In the current period, the Group has applied HKFRS 9 simplified approach to measure ECL using lifetime ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics.

Loss allowance for other financial assets at amortised cost mainly comprise of loan receivables, pledged bank deposits, bank trust account balances and bank balances, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, no additional credit loss allowance has been recognised in the condensed consolidated financial statements.

The following adjustments were made to the consolidated statement of financial position at the date of initial application, 1 January 2018. The effect of adopting HKFRS 9 is, as follows:

	Under HKAS 39	**Reclassification**	**Re-measurement**	**Under HKFRS 9**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Held-for-trading investments	68,661	(68,661)	–	–
Financial asset at fair value through profit or loss ("**FVTPL**")	–	68,661	–	68,661

Note:

Under HKAS 39, other financial assets were classified as available-for-sale financial assets. They are classified as at FVTPL under HKFRS 9.

New and revised HKFRS in issue but not yet effect

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after a date to be determined
3 Effective for annual periods beginning on or after 1 January 2021

3. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resources 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:

1. Telephones and related equipment – Design and sales of telephones and related products

2. Used computer-related components – Processing and trading of used computer-related components

3. Money lending business – Interest income earned from money lending business

4. Securities brokerage – Provision of securities broking services

5. Cross-border payment platforms – Provision of online payment services and cross-border settlement services

Segment revenue and results

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

Six months ended 30 June 2018 (unaudited)

	Telephones and related equipment *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	**58,564**	**17,166**	**8,597**	**995**	**38,502**	**123,824**
Segment (loss)/profit	**(1,666)**	**35**	**8,579**	**(338)**	**592**	**7,202**
Interest income on bank deposits						**2**
Fair value change on held-for-trading investments						**8,842**
Share-based payments						**(150)**
Unallocated expenses						**(9,163)**
Finance costs						**(63)**
Profit before tax						**6,670**

Six months ended 30 June 2017 (unaudited)

	Telephones and related equipment *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	85,417	17,845	6,725	288	65,432	175,707
Segment (loss)/profit	(693)	(282)	6,714	(1,228)	(678)	3,833
Interest income on bank deposits						4
Dividend income						479
Gain on disposal of available-for-sale investment						7,118
Fair value change on held-for-trading investments						(211,719)
Share-based payments						(347)
Unallocated expenses						(7,489)
Finance costs						(33)
Loss before tax						(208,154)

Segment assets and liabilities

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

Segment assets

	At 30 June 2018 (Unaudited) ***HK$'000***	At 31 December 2017 (Audited) *HK$'000*
Telephones and related equipment	**20,635**	14,421
Used computer-related components	**6,079**	6,098
Money lending	**217,182**	190,513
Provision of brokerage, placing and underwriting services	**129,582**	88,462
B2B cross-border e-commerce and payment	**32,318**	26,370
Total segment assets	**405,796**	325,864
Unallocated assets	**76,012**	98,033
Consolidated assets	**481,808**	423,897

Segment liabilities

	At 30 June 2018 (Unaudited) ***HK$'000***	At 31 December 2017 (Audited) *HK$'000*
Telephones and related equipment	**41,328**	32,849
Used computer-related components	**1,437**	1,975
Money lending	**1,132**	643
Provision of brokerage, placing and underwriting services	**57,968**	15,484
B2B cross-border e-commerce and payment	**156**	58
Total segment liabilities	**102,021**	51,009
Unallocated liabilities	**4,070**	3,347
Consolidated liabilities	**106,091**	54,356

4. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net foreign exchange gain	**–**	525
Dividend income	**–**	479
Interest income on bank deposits	**2**	4
Management fee income	**–**	92
Gain on disposal of subsidiaries	**–**	3,309
Gain on disposal of available-for-sale investment	**–**	7,118
Sundry income	**68**	175
	70	11,702

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax	**605**	118

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

6. PROFIT/(LOSS) FOR THE PERIOD

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

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories recognised as an expense	**111,897**	159,335
Depreciation of property, plant and equipment	**296**	104
Staff costs including directors' remuneration	**3,900**	5,098
Loss on disposal of a subsidiary	**–**	(3,309)

7. EARNINGS/(LOSS) PER SHARE

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

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit/(loss)		
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**6,065**	(208,272)

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**15,215,731,320**	15,215,731,320

The computation of diluted earnings per share for the six month ended 30 June 2018 does not assume the exercise of the Company's outstanding share options because the exercise price of these options was higher than the average market price of the Company's shares for the six month ended 30 June 2018.

The computation of diluted loss per share for the six months ended 30 June 2017 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 2018 and 2017.

9. TRADE AND OTHER RECEIVABLES

	At 30 June	At 31 December
	2018	2017
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade receivables arising from the ordinary course of business of dealing in securities of transaction:		
– Cash clients	**9,605**	16,465
Trade receivables from other ordinary course of business except for business of dealing in securities transactions	**28,341**	19,214
Deposits in brokerage firms	**25,082**	20,540
Deposits, prepayments and other receivables	**7,249**	8,931
Total trade and other receivables	**70,277**	65,150

The Group allows a credit period on sales of goods from 30 to 90 days to its trade customers. The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period:

	At 30 June 2018 (Unaudited) ***HK$'000***	At 31 December 2017 (Audited) *HK$'000*
0-30 days	**19,502**	13,955
31-60 days	**2,351**	1,408
61-90 days	**2,766**	–
Over 90 days	**3,722**	3,851
	28,341	19,214

The normal settlement term of trade receivables arising from the ordinary course of business of dealing in securities are 2 trading days after trade date.

10. LOAN RECEIVABLES

The Group's loan receivables bear effective interest rate of approximately 10% per annum.

The carrying amount of the Group's loan receivables have remaining contractual maturity dates as follows:

	At 30 June 2018 (Unaudited) ***HK$'000***	At 31 December 2017 (Audited) *HK$'000*
Within 90 days	**19,742**	38,683
91-180 days	**14,155**	9,017
181-365 days	**178,461**	140,760
	212,358	188,460
Less: allowance for doubtful debts	**–**	–
	212,358	188,460

No loan receivables balance had been past due and impaired as at 30 June 2018.

11. TRADE AND OTHER PAYABLES

	At 30 June 2018 (Unaudited) *HK$'000*	At 31 December 2017 (Audited) *HK$'000*
Trade payables arising from the ordinary course of business of dealing in securities transactions:		
– Cash clients	**57,874**	15,390
Trade payables from purchase of goods arising from other ordinary course of business, except for business of securities dealing in securities transactions	**35,519**	28,532
Other payables and accrued charges	**6,473**	8,259
	99,866	52,181

The credit period on purchase of goods ranges from 30 to 60 days. The following is an ageing analysis of trade payables presented based on invoice dates at the end of the reporting period:

	At 30 June 2018 (Unaudited) *HK$'000*	At 31 December 2017 (Audited) *HK$'000*
Within 30 days	**12,777**	9,203
31-60 days	**4,444**	6,317
61-90 days	**4,165**	1,386
Over 90 days	**14,133**	11,626
	35,519	28,532

The settlement term of accounts payable arising from the business of dealing in securities are 2 days after trade date.

12. SHARE CAPITAL

Ordinary shares of HK$0.0003 each

	Number of shares	**Amount *HK$'000***
Authorised:		
At 1 January 2018 (audited) and at 30 June 2018 (unaudited)	**2,000,000,000,000**	**600,000**
Issued and fully paid:		
At 1 January 2018 (audited) and at 30 June 2018 (unaudited)	**15,215,731,320**	**4,564**

13. 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 June 2018** **(Unaudited)** ***HK$'000***	31 December 2017 (Audited) *HK$'000*	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**
Listed equity securities in Hong Kong classified as held-for-trading investments in the condensed consolidated statement of financial position	**69,724**	68,661	Level 1	Quoted bid prices in an active market	N/A

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 unaudited interim results of the Group for the six months ended 30 June 2018.

Business Review

During the six months of review, the Group continued (i) to focus in the design, sales and marketing of residential telephone products under its license for the Motorola brand, as the Company is the exclusive licensee for the Motorola brand for corded and cordless telephones for residential and office use in Europe, the Russian Federation, Middle East, Africa and Asia (including China, India, Southeast Asia and Australia); and (ii) the processing and trading of used computer-related components business. During the period under 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 six months ended 30 June 2018, the Group's revenue amounted to approximately HK$123.8 million, representing a decrease of approximately 29.5% compared with the revenue of approximately HK$175.7 million for the corresponding period in 2017. In relation to the Group's revenue, approximately 47.3% resulted from sales of telephone products, 13.9% resulted from the processing and trading of used computer-related components business, 6.9% resulted from interest income from money lending business, 0.8% contributed from brokerage, placing and underwriting business and 31.1% contributed by B2B cross-border e-commerce and payment business. Gross profit from operation for the period under review was approximately HK$11.9 million, representing an decrease of approximately 27.2% compared with the gross profit of approximately of HK$16.4 million for the corresponding period in 2017. The Group's unaudited consolidated profit for the period under review was approximately HK$6.1 million.

As at 30 June 2018, the loan portfolio held by the Group was approximately HK$212.4 million and interest income earned from money lending business of approximately HK$8.6 million for the six months ended 30 June 2018.

Outlook and Prospect

In view of the dynamic change in the market environment, the Group has been deploying more resources in the cross-border e-commerce and payment segment in the future to capture more market opportunities as and when appropriate. The Group's other business segments include sales and design of residential cordless telephone and trading of computer components, 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 2018.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2018, the Group recorded a revenue of approximately HK$123.8 million which represented a decrease of approximately 29.5% as compared to the corresponding figure for the six months ended 30 June 2017.

The gross profit for the period under review was approximately HK$11.9 million as compared to approximately HK$16.4 million for the previous period.

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. In addition, the other business of the group including securities brokerage, placing and underwriting business, money lending business and B2B cross-border e-commerce and payment also contributed revenue to the Group during the period. The revenue, the gross profit and net (loss)/profit for each business segment for the period ended 30 June 2018 are set out as below:

	Telephones and related equipment	**Used computer-related components**	**Securities brokerage, placing and underwriting services**	**Money lending**	**B2B cross-border e-commerce and payment**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	58,564	17,166	995	8,597	38,502
Gross profit	966	794	995	8,597	643
Net (loss)/profit	(1,666)	35	(338)	8,579	592

Liquidity and Financial Resources

The decrease in current ratio from 7.8 to 4.5 was mainly due to increase in the trade & other payables as at 30 June 2018.

As at 30 June 2018, the Group had cash on hand of approximately HK$63.4 million, current assets of approximately HK$481.4 million, total assets of approximately HK$481.8 million and shareholders' equity of approximately HK$375.7 million.

Gearing Ratio

As at 30 June 2018, the Group generally financed its operations through internally-generated cash flows and shareholders equity, there was no outstanding bank loan and borrowings.

Capital Structure

During the six months ended 30 June 2018, the authorized share capital of the Company was HK$600,000,000, which divided into 2,000,000,000,000 shares of HK$0.0003 each. The authorised share capital had no change during the period.

Exchange Rate

Most of sales in the current period were denominated in United States dollars, whilst the majority of the Group's expenses were denominated in United States dollars, Reminbi 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 assess 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 30 June 2018, the Group had utilized approximately HK$43.7 million for marketing and promotion to overseas merchants and setting up offices and marketing teams in the PRC and Europe, approximately HK$46.8 million for the B2B cross-border e-commerce and payment business, approximately HK$295.0 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$52.0 million for general working capital or potential acquisition opportunities.

As at 30 June 2018, the Group had unutilized net proceeds of approximately HK$32.5 million which will be deployed for the B2B cross-border e-commerce and payment business.

Significant Investments

As at 30 June 2018, total market value for the financial assets at fair value through profit or loss of the Group was approximately HK$69.7 million and recorded a net fair value gain of approximately HK$8.8 million. The financial assets at fair value through profit or loss were mainly comprised of investments in WLS Holdings Limited (HK Stock Code: 8021) of approximately HK$25.2 million, China Investment and Finance Group Limited (HK Stock Code: 1226) of approximately HK$10.8 million and China National Culture Group Limited (HK Stock Code: 745) of approximately HK$7.3 million.

Significant Acquisitions or Disposals

During the six months ended 30 June 2018, 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 30 June 2018, 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 2018, 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 2018, the interests and short positions of the Directors, chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "**SFO**") (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 *(Note 1)*
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 30 June 2018.

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 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 30 June 2018, the number of shares in respect of which share options could be exercisable under the terms of the Share Option Scheme was 1,889,364,600 shares, representing approximately 12.42% 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 six months ended 30 June 2018, no share options were exercised.

Saved as disclosed above, at no time during the six months ended 30 June 2018 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 2018, 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%
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	6.67%
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%
Li Ronghua	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.

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 two members, all of whom are independent non-executive Directors ("**INEDs**") namely Ms. Lu Bei Lin and Mr. Man Yuan. The unaudited financial statements of the Group for the six months ended 30 June 2018 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. However, 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. Man Yuan, being the independent non-executive directors of the Company, were not present at the annual general meeting of the Company held on 31 May 2018.

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 2018.

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

During the six months ended 30 June 2018, 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, 28 August 2018

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 two independent non-executive Directors, namely, Ms. Lu Bei Lin and Mr. Man Yuan.