

**SUNCORP TECHNOLOGIES LTD:
ARE THE SHARES WORTH ANYWHERE NEAR 15 CENTS ?**

In **TARGET**'s opinion, the share price of [Suncorp Technologies Ltd \(\)](#) (Code: 1063, Main Board, The Stock Exchange of Hongkong Ltd), at about 15 cents, makes little sense, at all, because the chances are very high that the company will sink into the mire of technical insolvency long before it can be considered a going concern of any material significance.

Suncorp Technologies Ltd, recently, brought out its financial results for the Financial Year, ended December 31, 2009.

Briefly, the company stated that, on a Turnover of about \$HK50.45 million (2008: \$HK219.86 million), the Bottom Line came in at a Loss Attributable to Shareholders of about \$HK145.48 million (2008: Net Profit Attributable to Shareholders – \$HK78.81 million).

As at the 2009 Balance Sheet Date, Current Assets stood at about \$HK49.92 million (2008: \$HK12.91 million), with cash and bank balances, standing at about \$HK9.07 million (2008: \$HK4.61 million).

Current Liabilities, however, were about \$HK173.49 million (2008: \$HK104.69 million), giving rise to Net Current Liabilities of about \$HK123.57 million (2008: \$HK91.79 million).

Shareholders' Funds were, as at December 31, 2009, in deficit to the tune of about \$HK122.11 million (2008: \$HK123.51 million).

The Independent Auditors' Report, stated, among other things:

'OPINION

'In our opinion, the consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2009 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

'Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK\$145,475,000 during the year ended 31 December 2009 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$123,566,000. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As explained in Note 2, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to improve the liquidity position to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to operate as a going concern.'

Note 2 of the 2009 Annual Report states:

'BASIS OF PREPARATION OF FINANCIAL STATEMENTS

'In preparing the consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of a net loss of approximately HK\$145,475,000 during the year ended 31 December 2009 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$123,566,000. The directors of the Company have been taking active steps to improve the liquidity position of the Group. These steps include (i) undertaking fund raising transactions during the financial year ended 31 December 2009 and subsequently; (ii) implementing stringent cost control measures to strengthen its cash flow position; (iii) evaluating alternative sources of financing; and (iv) evaluating new business opportunities. Provided that these measures can successfully improve the liquidity position of the Group, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

During ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.