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Suncorp

Suncorp Technologies Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1063)

**BUSINESS COOPERATION AGREEMENT WITH CHINAPAY IN RESPECT
OF CROSS-BORDER ONLINE PAYMENT,
PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

Placing Agents



**GF Securities (Hong Kong)
Brokerage Limited**



Gransing Securities Co., Limited

BUSINESS COOPERATION AGREEMENT

The Board is pleased to announce that on 6 March 2015, the Company entered into the business cooperation agreement with ChinaPay to jointly promote and develop cross-border payment platform and e-commerce co-operation in Europe through ChinaPay's payment gateway.

The business cooperation agreement sets out the framework of cooperation between ChinaPay and the Company and further tripartite agreements will be entered into between ChinaPay, the Company and the merchants procured by the Company separately from time to time.

THE PLACING

On 6 March 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents whereby the Company has conditionally agreed to place, through the Placing Agents, on a best effort basis, a maximum of 2,536,000,000 Placing Shares to not less than 6 independent Placees at a price of not less than HK\$0.245 per Placing Share. The Placing Shares represent approximately 19.76% of the Company's existing issued share capital of 12,830,841,870 Shares as at the date of this announcement and approximately 16.50% of its issued share capital as enlarged by the Placing. The Placing Agents shall use their reasonable endeavours to encompass a lock-up period for the placees of up to 12 months for the Placing Shares in connection with the Placing.

The Placing Price of HK\$0.245 per Placing Share represents a discount of approximately 19.68% to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on 13 February 2015, being the higher of (i) the last closing price immediately preceding the trading halt of the Company; and (ii) a discount of approximately 12.24% to the average closing price of HK\$0.275 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 12 February 2015.

The maximum gross proceeds from the Placing will be approximately HK\$621 million. The Company plans to use the maximum net proceeds of approximately HK\$611 million from the Placing to provide working capital to the Group to explore the new business area with ChinaPay and to provide general working capital to the Group.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted from 9:00 a.m. on 13 February 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 9 March 2015.

THE BUSINESS COOPERATION AGREEMENT

The Board announces that on 6 March 2015 (after trading hours), the Company and ChinaPay have entered into a business cooperation agreement appointing the Company as its agent to procure overseas merchants to adopt cross-border payment through ChinaPay's payment gateway in Europe. Through ChinaPay's payment gateway, users can make purchases via mobile devices (handhelds) and online at merchants procured by the Company which are associated with China UnionPay's credit or debit cards.

The business cooperation agreement sets out the framework of cooperation between ChinaPay and the Company and further tripartite agreements will be entered into between ChinaPay, the Company and the merchants procured by the Company separately from time to time.

Key Terms of the Business Cooperation Agreement

Date:

6 March 2015

Parties:

Party A: ChinaPay
Party B: The Company

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, ChinaPay and its ultimate beneficial owners are third parties independent of the Company and its Connected Person(s).

Term:

The business cooperation agreement shall be effective from 6 March 2015 to 21 December 2017, and may be automatically renewed for an additional three years unless either party terminates the business cooperation agreement in writing one month prior to its expiration.

Major terms:

- (i) Party A to provide China UnionPay's payment gateway and settlement services to merchants procured by Party B in Europe;
- (ii) Party B to promote and expand overseas merchants to adopt, accept and utilize the payment and settlement services associated with China UnionPay; and
- (iii) Party A agrees to provide a fixed services fee chargeable by them and any additional services fee to be received by the Company pursuant to the subsequent contract with the merchants shall be for the account of the Company.

BACKGROUND INFORMATION OF CHINAPAY AND CHINA UNIONPAY

ChinaPay is a wholly-owned subsidiary of China UnionPay Merchant Services Co., Ltd. (銀聯商務有限公司), and its main business includes, but is not limited to, the provision of internet payment, mobile payment, provide technology support to bankcard payment and the other related financial services. China UnionPay is one of the shareholders of China UnionPay Merchant Services Co., Ltd.

China UnionPay is a domestic bankcard association and an authorised interbank clearing institution established under the approval of the People's Bank of China. China UnionPay operates an inter-bank transaction settlement system through which the connection between banking system and the inter-bank, cross-region and cross-border usages of bankcards network throughout the PRC.

THE PLACING AGREEMENT

Date

6 March 2015

Issuer

The Company

Placing Agents and the Placees

GF Securities (Hong Kong) Brokerage Limited and Gransing Securities Co., Limited, the joint Placing Agents, have conditionally agreed to place a maximum of 2,536,000,000 Placing Shares, on a best effort basis and in consideration thereof, they will receive a placing commission of in aggregate 1.5% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agents and its ultimate beneficial owner(s) are not Connected Persons of the Company and are independent from and not connected with the Company and/or its Connected Persons.

The Placing Agents will place the Placing Shares to not less than six Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be Connected Persons of the Company and will be independent of and not connected with the Company and its Connected Persons. It is expected that none of the Placees will become substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Placing. The Placing Agents shall use their reasonable endeavours to encompass a lock-up period for the placees of up to 12 months for the Placing Shares in connection with the Placing.

Number of Placing Shares

A maximum of 2,536,000,000 Placing Shares represent approximately 19.76% of the Company's existing issued share capital of the Company of 12,830,841,870 Shares as at the date of this announcement and approximately 16.50% of its issued share capital as enlarged by the Placing.

Placing Price

The Placing Price of HK\$0.245 per Placing Share represents a discount of approximately 19.68% to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on 13 February 2015, being the higher of (i) the last closing price immediately preceeding the trading halt of the Company; and (ii) a discount of approximately 12.24% to the average closing price of HK\$0.275 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 12 February 2015.

The maximum net placing price under the Placing is approximately HK\$0.24 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agents with reference to the size and the current market price of the Shares, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 28 April 2014 pursuant to which the Directors are allowed to allot and issue up to 2,536,168,374 Shares.

As at the date of this announcement, no Shares have been issued and allotted pursuant to such general mandate and accordingly the issue of the Placing Shares is not subject to any further approval by the Shareholders.

The Company has undertaken in the Placing Agreement not to allot and issue any new Shares for a period of 3 months after the Completion of the Placing.

Condition to the Placing

The Placing, which is not subject to the approval of the Shareholders, is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Bermuda Monetary Authority granting permission (if necessary) for the issue of, inter alia, the Placing Shares and the subsequent transfer of the same to and between persons regarded as non-residents of Bermuda for exchange control purposes for so long as the Placing Shares are listed on the Stock Exchange.

The conditions must be fulfilled on or before 2 April 2015 (or such other date as agreed by the Company and the Placing Agents), failing which the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Completion

Completion of the Placing shall take place not later than the second Business Day after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agents).

Placing commission

The Placing Agents shall receive a placing commission of 1.5% of in aggregate the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed.

The placing commission was determined after arm's length negotiations between the Company and the Placing Agents with reference to the market rate.

REASONS FOR THE PLACING AND USE OF THE PROCEEDS

The Group is principally engaged in the sales and marketing of residential telephone products with its license arrangements under the Motorola brand.

The Directors are of the view that the Placing will strengthen the financial position of the Group and will provide capital to the Group to explore this new business area with ChinaPay, as well as providing working capital to the Group to meet any future obligations.

The Company entered into a framework cooperative agreement with inter alia, 意大利米蘭世博會中國企業聯合館執行委員會 (the Executive Committee of China Corporate United Pavilion Expo 2015 Milano Italy ("Milan Expo")) on 25 February 2015, whereby the Company shall promote and market the application (the "App") of China UnionPay's online e-commerce platform (<http://emall.chinapay.com>) ("Emall") at the Milan Expo.

Leveraging on the business cooperation agreement with ChinaPay, the Company will have the opportunity to jointly promote cross-border online payments associated with "China UnionPay", which is a bankcard association authorized to operate bank card and settlement services in the PRC. The Company may establish a strategic committee with ChinaPay to jointly explore new merchants that use cross-border online payment and settlement services, as such, in order to attract new merchants, the Company plans to:

- assist overseas merchants to tap into the PRC market by promoting merchants' content offerings via the on-line platform, Emall; and
- create the App version for Emall with customized advertising and sales promotion contents for use on smartphones.

THE BUSINESS MODEL

The Company will assist to draw traffic (i.e. overseas merchants and customers) to Emall and the App. Creating an App for use on smartphones is one of our strategies used to draw target audiences for our merchants. In addition to sharing commission with ChinaPay pursuant to the business cooperation agreement, the Company plans to receive (i) membership fees from merchants in hosting their products on Emall and the App; (ii) a percentage of commission sharing with the merchants on each successful transaction; and (iii) advertising income.

The new App will be developed by the Company in collaboration with ChinaPay and Emall, and will be the mobile version of Emall with additional features such as overseas news, tourist information, shopping alert and tentatively a call centre support, primarily target Chinese tourists in Europe. In this respect, the Company aims to draw merchants and customers' attention to Emall, initially via the App.

In order to promote the App, the Company plans to implement the followings:

- to provide free wifi services to outbound travellers at major airports in the PRC. In order to enjoy such free wifi services, every user registered with the wifi service will be automatically connected to the App, which will enhance the customers awareness of the App, thereby drawing traffic flow and subsequent advertisements income through smart push initiatives; and
- to provide Chinese tourists in Europe free smartphones for use during their stay. The smartphone acts as the mobile guide book for PRC tourists, which, coupled with “location based service”, can send out promotion and advertising news to target travelers in an effective way.

USE OF PROCEEDS

Pursuant to the business cooperation agreement, China UnionPay provides basic interbank clearing and settlement system. However, in order for overseas merchants to integrate and connect with “China UnionPay” settlement and clearing services on Emall or the App, the merchant has to develop a relevant system which is compatible with the “China UnionPay” system.

In this connection, the Company has to develop the relevant “last-mile” system (such as the user system, the merchant system, back-end and front end systems) based on the merchants' specific business, and to conduct integration testing for such interface in order for “China UnionPay” system to support the merchants' business.

The aggregate gross proceeds from the Placing will be approximately HK\$621 million and the net proceeds will be approximately HK\$611 million. The net Placing Price will be approximately HK\$0.24 per Share. It is expected that such proceeds will be utilised by the Group primarily in the following manners:

- Approximately 35% of the net proceeds (approximately HK\$213 million) will be utilized to develop the App, which will be used to (i) acquire smartphones; (ii) provide free wifi services at major PRC airports; (iii) acquire servers for order management system (“OMS”), customer relationship management system (“CRM”) and integrated clearing and settlement system, which are equipments and systems used by the Company to analysis users' behaviours; (iv) to develop the “last-mile” system for the relevant overseas merchants, which will involve the development of a new API, mobile front-end, payment interface, background manager, user system, account system, merchant system and firewall; and (v) for acquiring sim cards for use on smartphones overseas.

- Approximately 25% (approximately HK\$150 million) of the net proceeds will be used for customers acquisition. The Company plans to give cash incentives or free coupons to customers who have either successfully downloaded the App or have successfully completed a transaction either on Email or the App.
- Approximately 10% (approximately HK\$60 million) of the net proceeds will be utilized to enhance Email, which will be used to (i) integrate the merchants' payment system with China UnionPay's payment gateway, which will involve the development of a new API, web-based front-end, payment interface, background manager, user system, account system and merchant system; (ii) to acquire servers for OMS and CRM; and (iii) to build logistic and warehousing systems.
- Approximately 15% (approximately HK\$90 million) of the net proceeds will be used for marketing and promotion to overseas merchants and setting up offices and marketing teams in the PRC and Europe. Such marketing fees include setting up of a call centre, TV channels in hotels in Europe and other promotional campaigns in Europe or in the PRC to boost brand awareness in order to attract customers' attention to join and transact on the App and Email; and
- Approximately 15% (approximately HK\$90 million) will be used for the Group's general working capital.

NET PROCEEDS UTILIZATION PLAN

Stage 1 (Immediately after Placing and until the end of June 2015)

The Company plans to utilize approximately 50% of the net proceeds during Stage 1 to purchase smartphones, sim cards, airport wifi services to be signed with two to three major airport operators, and to acquire relevant OMS and CRMS systems and servers for Email and the App. In addition, the Company commences setting up IT teams and sales team in Europe and the PRC.

Sales and marketing campaign to attract overseas merchants will also commence immediately, together with systems integration with merchants procured by the Company. The Company expects that approximately HK\$300 million will be deployed for the next 4 months upon completion of the Placing.

Stage 2 (July 2015 to October 2015)

Depending on the progress after Stage 1, the Company plans to utilize approximately 25% of the net proceeds (approximately HK\$150 million) to continue conducting sales and marketing campaigns, to commence customer acquisition initiatives and to set up warehouse and logistic facilities.

Stage 3 (November 2015 to March 2016)

Depending on the progress after Stage 2, the Company plans to utilize the remaining 10% of the net proceeds (approximately HK\$60 million) to conduct sales and marketing campaigns and customer acquisition. There will be continuous upgrade of server facilities for use on Email and the App.

The Directors are of the view that the cooperation with ChinaPay represents a valuable opportunity for the Company to explore and expand its business presence in Europe and in the e-commerce and online payment industry. The Directors consider that the net proceeds from the Placing will significantly bolster the Company's funding capacity, improve the financial position and provide the Company with financial flexibility for future business development and to capture any prospective investment opportunities as and when they may arise. The Directors (including the independent non-executive Directors) consider that the terms of the Placing, including the rate of the placing commission, are fair and reasonable based on the current market conditions. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any other fund raising activities during the 12 months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company immediately before and after the Placing:

	As at the date of this announcement		Upon completion of the Placing Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Director				
Malcolm Stephen Jacobs-Paton	260,780	–	260,780	–
Public Shareholders				
Places			2,536,000,000	16.50
Other shareholders	12,830,581,090	100.00	12,830,581,090	83.50
	<hr/>	<hr/>	<hr/>	<hr/>
Total:	12,830,841,870	100.00	15,366,841,870	100.00
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GENERAL

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Placing Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted from 9:00 a.m. on 13 February 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 9 March 2015.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“API”	application programming interface
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“ChinaPay”	Shanghai ChinaPay Electronic Payment Service Co., Ltd. (上海銀聯電子支付服務有限公司), a wholly-owned subsidiary of China UnionPay Merchant Services Co., Ltd (銀聯商務有限公司)
“China UnionPay”	China UnionPay Co., Ltd. (中國銀聯股份有限公司)
“Company”	Suncorp Technologies Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1063)
“Connected Person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Placee(s)”	any individual(s), institutional or other professional investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of up to 2,536,000,000 Placing Shares on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agents”	GF Securities (Hong Kong) Brokerage Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and Gransing Securities Co., Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the agreement entered into between the Company and the Placing Agents dated 6 March 2015 in respect of the Placing
“Placing Price”	HK\$0.245 per Placing Share
“Placing Shares”	a maximum of 2,536,000,000 Shares to be issued under the Placing
“PRC”	the People’s Republic of China
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.0003 each in the share capital of the Company
“Shareholders”	holders of the Shares

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 6 March 2015

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