



# SUNeVision Holdings Ltd. 新意網集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8008



## 2013-2014

Half-year Report

半年度業績報告

Results for the six months ended 31 December 2013

截至2013年12月31日止六個月業績



The technology arm of Sun Hung Kai Properties

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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This report, for which the directors (the “Directors”) of SUNeVision Holdings Ltd. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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## **CHOICE OF MEANS OF RECEIPT OR LANGUAGE OF CORPORATE COMMUNICATIONS**

This report is now available in printed form in English and in Chinese, and on the website of the Company at [www.sunevision.com](http://www.sunevision.com) and the GEM website at [www.hkgem.com](http://www.hkgem.com).

If registered shareholders/noteholders who have received or chosen to receive this report by electronic means wish to receive a printed copy, or who for any reason have difficulty in receiving or gaining access to this report on the Company’s website, they may obtain the same free of charge by sending a request to (a) in the case of registered shareholders, the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited (“Computershare”) by post to 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or by email at [sunevision@computershare.com.hk](mailto:sunevision@computershare.com.hk); or (b) in the case of noteholders, the Company’s registrar in respect of the convertible notes, Tricor Investor Services Limited (“Tricor”), at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong or by email at [sunevision-ecom@hk.tricorglobal.com](mailto:sunevision-ecom@hk.tricorglobal.com).

For registered shareholders/noteholders who wish to change their choice of means of receipt or language of the Company’s future corporate communications free of charge, they could at any time notify (i) in the case of registered shareholders, Computershare by post or by email (at the address or email address mentioned above); or (ii) in the case of noteholders, Tricor by post or by email (at the address or email address mentioned above).

## Highlights

- SUNeVision reported a profit attributable to owners of the Company of HK\$223.2 million for the six months ended 31 December 2013
- The Group's revenue was HK\$415.9 million for the period, representing an increase of HK\$46.3 million over the same period last year
- Gross profit for the reporting period improved to HK\$264.0 million, principally a result of further improvement in our data centre business
- Other income, being income in addition to revenue from operations, was HK\$18.1 million for the half year period
- Operating expenditures were HK\$18.9 million and at a level similar to that for the same period of the previous financial year
- The Group's financial position remained strong with approximately HK\$969 million in cash and interest-bearing securities on hand

	<b>Jul to Dec 2013 HK\$'M</b>	Jul to Dec 2012 HK\$'M
Revenue	<b>415.9</b>	369.6
Gross profit	<b>264.0</b>	215.8
Other income	<b>18.1</b>	19.1
Operating expenditures *	<b>(18.9)</b>	(19.1)
Profit before taxation	<b>263.2</b>	215.8
Income tax expense	<b>(40.0)</b>	(32.1)
Profit for the period attributable to the owners of the Company	<b>223.2</b>	183.7

\* Selling, general and administrative expenses

## Chairman's Statement

SUNeVision attained a profit attributable to owners of the Company of HK\$223.2 million for the six months ended 31 December 2013 of the financial year 2013/14. This profit level represented a period-on-period increase of HK\$39.5 million.

Revenue of the Group was HK\$415.9 million for the period, an increase of HK\$46.3 million over the same period last year while gross profit improved to HK\$264.0 million, principally a result of further improvement in our data centre business.

Other income, being income in addition to revenue from operations, was HK\$18.1 million for the half year period.

Operating expenditures were HK\$18.9 million and at a level similar to that for the same period of the previous financial year.

The Group continued a stable revenue growth and maintained its effective cost management practice resulting in an improved profitability. After allowing for taxation, the Group reported a profit attributable to the owners of the Company of HK\$223.2 million for the first half of 2013/14 financial year, representing a 21.5% increase over the same period in the last financial year.

The Group's financial position remained strong with approximately HK\$969 million in cash and interest-bearing securities on hand as of 31 December 2013 after the payment of the land premium of HK\$428 million for the Tseung Kwan O data centre land and the dividend payout of HK\$407 million for financial year 2012/13 in November 2013.

The Group has embarked on the development of its new flagship high-tier data centre at Tseung Kwan O upon the award of the site by the Government in October 2013. The development signified the strong commitment of the Group to further expand its business to optimise shareholders return and to meet the requirements of its customers.

I would like to close by thanking the Board, management and every member of our dedicated staff for their support and hard work, and our shareholders for their continued confidence.

**Kwok Ping-luen, Raymond**

*Chairman*

Hong Kong, 6 February 2014

# Chief Executive Officer's Report

## OVERVIEW

SUNeVision reported its unaudited results for the first half year ended 31 December 2013 with a profit attributable to the owners of the Company of HK\$223.2 million, continuing our profitability growth primarily from further improvements of our data centre business.

Subsequent to the award of the Tseung Kwan O high-tier data centre land by the Government in October 2013, the Group soon commenced the detailed planning of its new flagship high-tier data centre in Tseung Kwan O. With this development, we will have an expanded business capacity and extensive data centre location choices to meet the increasing demand of our customers.

## BUSINESS REVIEW

### **iAdvantage**

Business performance of iAdvantage in the first half of 2013/14 financial year continued to be strong and encouraging. Expansion of existing service facilities in Sha Tin and further optimisation of data centre facilities in Chai Wan has continued to play an important role to provide business capacity in the near term in meeting existing and new customer needs. These data centre facilities will continue to be customers' preferred choice in terms of location, infrastructure, building facilities and services.

In October 2013, the Company was awarded the site at Tseung Kwan O designated for high-tier data centre purposes at a land premium of HK\$428 million. The land premium was fully paid in November 2013.

Right after the acquisition of the site at Tseung Kwan O, the Company began the planning of the construction of a high-tier data centre.

iAdvantage has maintained its competitive advantage in providing high quality data centre infrastructure through its various ISO certified services and its proven track record. The development of the new flagship data centre facilities in Tseung Kwan O will further enhance our location choices to customers and further strengthen our competitive position.

### **Super e-Technology**

Super e-Technology successfully secured contracts with a combined contract sum of approximately HK\$37 million for the installation of Extra Low Voltage (ELV) and Information Technology (IT) systems during the last six months.

Super e-Technology is actively pursuing opportunities in related industry sectors and increasing penetration of Internet Protocol based technologies. Overall Super e-Technology maintains a positive outlook with regards to growth in the ELV and IT sectors.

### **Super e-Network**

Super e-Network continued to work with broadband service and network traffic management providers to improve its service and solutions. It will maintain its momentum in exploring new opportunities to further expand its broadband deployment and WIFI services to different sectors.

## INVESTMENT

The Group has maintained prudent financial management and continued to invest in existing infrastructure to enhance the further development of its core businesses.

## OTHER FINANCIAL DISCUSSION AND ANALYSIS

The Group practices prudent financial management and has a strong balance sheet, with strong liquidity and financial resources. After the land premium payment of HK\$428 million for the Tseung Kwan O data centre land and the 2012/13 dividend payout of HK\$407 million in November 2013, the Group had cash and interest-bearing securities of approximately HK\$969 million and had no gearing (calculated on the basis of net debt to shareholders' funds) as at the period end.

As of 31 December 2013, the Company had contingent liabilities in respect of guarantees for general banking facilities utilised by the Group's subsidiaries and other guarantees in the aggregate amount of HK\$63.6 million.

The Group's core operations are based in Hong Kong and its assets are primarily in Hong Kong or US dollars. It had no significant exposure to foreign exchange rate fluctuations. As of 31 December 2013, the Group had not pledged any of its assets, and there were no material acquisitions or disposals of subsidiaries or affiliated companies during the period under review.

There has been no change in the Group's equity technology investment portfolio since 30 June 2013.

## EMPLOYEES

As of 31 December 2013, the Group had 170 full-time employees. The Group is keen to motivate and retain talent and continues to offer career progression opportunities and hold periodical review on compensation to recognise employees' contributions and to respond to changes in the employment market. Payroll costs remained stable during the period, and bonuses were paid to selected employees to recognise outstanding performance. Other remuneration and benefits, including medical coverage and provident fund contributions, remained at appropriate levels. Various training and development opportunities continued to be offered to enhance employees' capabilities. The Group also offers a share-option scheme to recognise employees who make significant contributions.

I would like to close by thanking the directors of the Board for their support and guidance, all members of the staff for their dedication and commitment, and our shareholders and customers for their continued confidence and support.

**Yan King-shun, Peter**

*Chief Executive Officer*

Hong Kong, 6 February 2014

## Directors' Profiles

### EXECUTIVE DIRECTORS

**KWOK Ping-luen, Raymond** (Age: 60)

*Chairman*

Mr. Kwok has been the Chairman and an Executive Director of the Company since 29 January 2000. He holds a Master of Arts degree in Law from Cambridge University, a Master degree in Business Administration from Harvard University, an Honorary Doctorate degree in Business Administration from The Open University of Hong Kong and an Honorary Doctorate degree in Laws from The Chinese University of Hong Kong.

Mr. Kwok has been Chairman of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), since December 2011. He is also a Managing Director of SHKP. Prior to the appointment as Chairman of SHKP, Mr. Kwok had acted as Vice Chairman of SHKP. He is the Chairman of SmarTone Telecommunications Holdings Limited, a Non-Executive Director of Transport International Holdings Limited and Wing Tai Properties Limited.

In civic activities, Mr. Kwok is a Director of The Real Estate Developers Association of Hong Kong, a member of the General Committee of The Hong Kong General Chamber of Commerce and Vice Chairman of the Council of The Chinese University of Hong Kong.

Save as disclosed above, Mr. Kwok did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any other existing Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Mr. Kwok received director's fee of HK\$40,000 for being a Director and the Chairman of the Company.

**YAN King-shun, Peter** (Age: 52)

*Chief Executive Officer and Authorised Representative*

Mr. Yan has been an Executive Director, the Chief Executive Officer and the Authorised Representative of the Company for accepting service of process and notices on behalf of the Company (under Part XI of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong) since 15 October 2013. He holds a Bachelor's degree in Business Administration from The Chinese University of Hong Kong and received Executive Education for Global Leadership from the Harvard Business School.

Mr. Yan has over 28 years of experience in the information technology industry and is a fellow of the Hong Kong Computer Society. He was an Executive Director and Group Chief Executive Officer of Computer And Technologies Holdings Limited ("C&T"). Prior to joining C&T in April 2000, he had held senior management positions in large consulting and information technology services companies including Accenture and Tradelink Electronic Commerce Limited. Mr. Yan also has extensive experience serving on a range of public services committees, including Non-Executive Director of Hong Kong Cyberport Management Company Limited, member of the Transport Advisory Committee, member of the Solicitors Disciplinary Tribunal Panel and Vice President of the Hong Kong Computer Society.

Save as disclosed above, Mr. Yan did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

**TUNG Chi-ho, Eric** (Age: 54)

Mr. Tung has been an Executive Director of the Company since 29 January 2000. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from The University of Hong Kong. He is a member of The Hong Kong Institute of Architects and a registered Architect.

Mr. Tung is the Chairman of iAdvantage Limited, a subsidiary of the Company and a director of certain subsidiaries of the Company. He has been with the Sun Hung Kai Properties Group for 26 years and has been an Executive Director of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), since 1 December 2013. Mr. Tung is a member of the Executive Committee of SHKP and an Executive Director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of SHKP. He served as Project Director for various large-scale residential, commercial and mixed developments and oversaw the completion of data centres for major tenants such as JP Morgan and ING Barings.

Save as disclosed above, Mr. Tung did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, the total emolument for Mr. Tung was HK\$42,000 which included a director's fee of HK\$30,000 and other emolument of HK\$12,000.

**WONG Chin-wah** (Age: 64)

Mr. Wong has been an Executive Director of the Company since 29 January 2000. He received a Bachelor of Science (Estate Management) degree in 1976 from the National University of Singapore and is a Registered Professional Surveyor and a Registered Professional Housing Manager in Hong Kong. Mr. Wong is also a member of the Singapore Institute of Surveyors and Valuers.

Mr. Wong is the Chief Executive Officer of Sunevision Super e-Technology Services Limited ("Super e-Technology", a subsidiary of the Company). His experience in infrastructure network technology commenced in early 1993 when he was appointed as Chief Executive Officer of Super e-Technology. In July 1999, then as the Managing Director of Sunevision Red-Dots Limited, he led a team of IT professionals to develop the Sun Hung Kai Properties Group's first e-commerce site in Hong Kong which was launched in October 1999. Mr. Wong is also a director of certain subsidiaries of the Company.

Mr. Wong is a member of the Executive Committee of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He is an Executive Director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of SHKP, and had held senior management positions in the DBS Bank and MTR Corporation Limited.

Save as disclosed above, Mr. Wong did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, the total emolument for Mr. Wong was HK\$42,000 which included a director's fee of HK\$30,000 and other emolument of HK\$12,000.

**SO Wai-kei, Godwin** (Age: 49)

*Compliance Officer, Company Secretary and Authorised Representative*

Mr. So has been an Executive Director of the Company since 1 November 2009. He is the compliance officer, the Company Secretary and the authorised representative of the Company. Mr. So is also a member of the Corporate Governance Committee of the Board. He holds a Bachelor of Arts degree from the City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered and Certified Accountants, the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Chartered Secretaries, the Chartered Institute of Bankers and the Hong Kong Institute of Bankers.

Mr. So is a Group Financial Control Manager of Sun Hung Kai Properties Limited (“SHKP”), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He is a Director of Route 3 (CPS) Company Limited, Transport Infrastructure Management Limited and Hung Kai Finance Company, Limited which are the subsidiaries of SHKP. He had also served as Alternate Director to Mr. Kwok Ping-sheung, Walter (a former Non-Executive Director of the Company) in Transport International Holdings Limited. Before joining SHKP in 2002, Mr. So worked for two banks in Hong Kong holding various managerial positions in internal auditing, operation management and business planning.

Save as disclosed above, Mr. So did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, the total emolument for Mr. So was HK\$42,000 which included a director’s fee of HK\$30,000 and other emolument of HK\$12,000.

## NON-EXECUTIVE DIRECTORS

**CHEUNG Wing-yui** (Age: 64)

Mr. Cheung has been a Non-Executive Director of the Company since 29 January 2000. He is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. Mr. Cheung received a Bachelor of Commerce Degree in accountancy from the University of New South Wales, Australia and is a member of the CPA Australia. He has been a practising solicitor in Hong Kong since 1979 and is a Consultant of the law firm Woo, Kwan, Lee & Lo. He was also admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore.

Mr. Cheung is a Non-Executive Director of SmarTone Telecommunications Holdings Limited, SRE Group Limited, Tai Sang Land Development Limited and Tianjin Development Holdings Limited and an Independent Non-Executive Director of Agile Property Holdings Limited and Hop Hing Group Holdings Limited. He is a Non-Executive Director of Hung Kai Finance Company, Limited and Sun Hung Kai Properties Insurance Limited, both of which are wholly-owned subsidiaries of Sun Hung Kai Properties Limited, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Mr. Cheung is a vice patron of The Community Chest and Deputy Chairman of the Council of The Open University of Hong Kong. He had held the positions of the Deputy Chairman of The Hong Kong Institute of Directors, Director of Po Leung Kuk, Vice Chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong and a member of the Board of Review (Inland Revenue Ordinance).

Mr. Cheung was awarded the Bronze Bauhinia Star (BBS) in 2013.

Save as disclosed above, Mr. Cheung did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Mr. Cheung received director's fee of HK\$160,000 for being a Director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

#### **SIU Hon-wah, Thomas** (Age: 60)

Mr. Siu has been a Non-Executive Director of the Company since 7 May 2010. He holds a MPhil degree from University of Cambridge and a PhD degree in Information Systems. He is a Certified Public Accountant and is a member of the British Computer Society.

Mr. Siu is a Non-Executive Director of SmarTone Telecommunications Holdings Limited. He is also the Managing Director of Wilson Group which is a major transport infrastructure services provider in Hong Kong and is wholly-owned by Sun Hung Kai Properties Limited, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). Prior to joining Wilson Group, Mr. Siu had more than 25 years of experience in telecommunications and IT sectors. His experience covers finance, business operations and development.

Save as disclosed above, Mr. Siu did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Mr. Siu received director's fee of HK\$30,000 for being a Director of the Company.

**TSIM Wing-kit, Alfred** (Age: 50)

Mr. Tsim has been a Non-Executive Director of the Company since 15 October 2013. He joined the Group in February 2000 and became an Executive Director and the Chief Financial Officer of the Company in July 2006. He was appointed as the Acting Chief Executive Officer of the Company in June 2008 and subsequently as the Chief Executive Officer of the Company, a position he held until his re-designation on 15 October 2013. He holds a Bachelor of Arts degree from the City University of Hong Kong, a Master of Business Administration degree from The University of Sydney, a Master of Laws degree from the University of Wolverhampton, United Kingdom and a Diploma in Management Accounting from The Chinese University of Hong Kong. Mr. Tsim is an accountant by profession, he qualified with Price Waterhouse and is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, United Kingdom, CPA Australia, CMA Canada and The Institute of Chartered Accountants in England and Wales.

Mr. Tsim is a Manager of Sun Hung Kai Properties Limited (the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), a Non-Executive Director of SmarTone Telecommunications Holdings Limited and a director of certain subsidiaries of the Company.

Save as disclosed above, Mr. Tsim did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Mr. Tsim received total emolument of HK\$4,889,000, which included a director's fee of HK\$35,000 and other emolument of approximately HK\$4,854,000, for being a Director and the Chief Executive Officer of the Company.

## **FUNG Yuk-lun, Allen** (Age: 45)

Mr. Fung has been a Non-Executive Director of the Company since 1 January 2014. He obtained an undergraduate degree (Modern History) from Oxford University and holds a doctoral degree in History and East Asian Languages from Harvard University. Mr. Fung was a recipient of a Guggenheim Fellowship in 1996.

Mr. Fung is an Executive Director and a member of the executive committee of Sun Hung Kai Properties Limited (“SHKP”), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as well as the Chief Executive Officer of the SHKP group’s non-property related portfolio investments. He is also a Non-Executive Director of each of SmarTone Telecommunications Holdings Limited and Transport International Holdings Limited.

Mr. Fung was a Teaching Fellow at Harvard University in 1993-1994 and a visiting Assistant Professor of History at Brown University in 1996-1997. He joined McKinsey and Company (“McKinsey”), a global management consulting company, in 1997, and primarily served clients in China and Hong Kong, and also served institutions in Europe and Southeast Asia. Mr. Fung was the co-leader of the infrastructure practice for McKinsey. He was the Managing Partner of McKinsey Hong Kong from 2004 to 2010. In 2011, he became a Director of McKinsey globally, being the first Hong Kong Chinese to become a director in McKinsey’s history. He was also the Head of Recruiting for the Asia region in McKinsey.

Mr. Fung is the Chairman of the Hong Kong Society for the Protection of Children, a Council Member of both The Hong Kong Federation of Youth Groups and The Hong Kong Management Association and a member of Executive Committee of The Hong Kong Council of Social Service. He is also an Advisory Member of the Faculty of Business and Economics at The University of Hong Kong.

Save as disclosed above, Mr. Fung did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### **LI On-kwok, Victor** (Age: 59)

Professor Li has been an Independent Non-Executive Director of the Company since 29 January 2000. He is also the Chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee of the Board. Professor Li received his bachelor's, master's, engineer's and doctoral degrees in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology in 1977, 1979, 1980 and 1981 respectively.

Professor Li has been appointed as an Independent Non-Executive Director of Anxin-China Holdings Limited on 5 June 2013. He was an Independent Non-Executive Director of China.com Inc.

Professor Li is the Head of Department of the Electrical and Electronic Engineering Department ("EEED") at The University of Hong Kong ("HKU") and the Chair Professor of Information Engineering of the EEED at HKU. Prior to joining HKU, he was Professor of Electrical Engineering at the University of Southern California ("USC") and Director of the USC Communication Sciences Institute. Professor Li has chaired various committees of international professional organisations such as the Technical Committee on Computer Communications of the Institute of Electrical and Electronic Engineers. He was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2002.

Save as disclosed above, Professor Li did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Professor Li received director's fee of HK\$160,000 for being a Director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

### **KING Yeo-chi, Ambrose** (Age: 78)

Professor King has been an Independent Non-Executive Director of the Company since 1 January 2007. He is also the Chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee of the Board. Professor King received his BA from National Taiwan University (1957), MA from National Cheng Chi University (1959), and PhD from the University of Pittsburgh (1970).

Professor King is the Emeritus Professor of Sociology at The Chinese University of Hong Kong. He has been the head of New Asia College (1977-1985), Chair Professor of Sociology (1983-2004), Pro-Vice-Chancellor (1989-2002) and Vice-Chancellor (2002-2004) at The Chinese University of Hong Kong. In addition, Professor King has been the Visiting Fellow at the Centre of International Studies, MIT (1976) and Visiting Professor at University of Heidelberg (1985) and University of Wisconsin (1986). He was elected as Academician, Academia Sinica, Taipei (1994).

Professor King has held many advisory positions to the Hong Kong Government such as Independent Commission Against Corruption, The Law Reform Commission, Central Policy Unit and University Grants Committee – Research Grants Council. He is a member of the Board of Directors of Chiang Ching-kuo Foundation for International Scholarly Exchange. Professor King was appointed the Non-Official Justice of Peace in 1994. He was awarded the Silver Bauhinia Star of the Hong Kong Special Administrative Region and the Doctor of Literature, honoris causa of the Hong Kong University of Science and Technology in 1998 and the Doctor of Laws, honoris causa of The Chinese University of Hong Kong in 2005.

Professor King did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Professor King received director's fee of HK\$160,000 for being a Director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

#### **WONG Kai-man** (Age: 63)

Mr. Wong has been an Independent Non-Executive Director of the Company since 16 January 2007. He is also the Chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee of the Board. Mr. Wong obtained his Bachelor of Science in Physics from The University of Hong Kong and Master of Business Administration from The Chinese University of Hong Kong. He was conferred an honorary fellow of City University of Hong Kong on 16 September 2013 and is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants. He is an accountant with 32 years of experience in audit, initial public offer and computer audit.

Mr. Wong is a Non-Executive Director of Securities and Futures Commission and an Independent Non-Executive Director of Shangri-La Asia Limited, SCMP Group Limited and VTech Holdings Limited. He serves in a number of government committees and the boards of

certain non-governmental organisations. Mr. Wong retired as an Independent Non-Executive Director of China Construction Bank Corporation on 12 December 2013. He is currently a director of two charity foundations, Victor and William Fung Foundation Limited and Fung (1906) Foundation Limited. Mr. Wong was an honorary associate professor of the School of Business of The University of Hong Kong and a member of the Growth Enterprise Market Listing Committee of The Stock Exchange of Hong Kong Limited from 1999 to 2003. He was an audit partner of PricewaterhouseCoopers, Hong Kong before his retirement on 30 June 2005.

Mr. Wong was appointed as a Justice of the Peace in 2002 and was awarded Bronze Bauhinia Star in 2007 by the Government of the Hong Kong Special Administrative Region and awarded an honorary fellow of Lingnan University of Hong Kong.

Save as disclosed above, Mr. Wong did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Mr. Wong received director's fee of HK\$160,000 for being a Director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

#### **KWOK Kwok-chuen** (Age: 60)

Mr. Kwok has been an Independent Non-Executive Director of the Company since 5 May 2012. He holds a Bachelor of Social Sciences degree from The University of Hong Kong, a Master of Philosophy degree in Economics from The Chinese University of Hong Kong and a Master of Social Sciences degree in Public Administration from The University of Hong Kong.

Mr. Kwok is an Independent Non-Executive Director of DBS Bank (Hong Kong) Limited. He has been an Honorary Senior Research Fellow in the School of Economics & Finance, The University of Hong Kong since November 2008, after resigning from the job of Government Economist for the Hong Kong SAR Government (the "Government"), a post that he served from 2004 to 2008. Before joining the Government, Mr. Kwok was the Regional Chief Economist of Standard Chartered Bank (Hong Kong) Limited for the East Asia region. He was also a Senior Economist of The Hongkong and Shanghai Banking Corporation Limited.

Mr. Kwok has served on numerous committees and boards in Hong Kong. He is now a member of the Currency Board Sub-Committee of the Exchange Fund Advisory Committee, a member of the Hong Kong Port Development Council, a member of the Joint Committee on Student Finance, a member of the Competition Commission, a member of the Aviation

Development Advisory Committee, and a Steering Committee and Investment Committee member of the HKSAR Government Scholarship Fund and the Self-Financing Post-secondary Education Fund.

Mr. Kwok also served as the Chairman of the Hong Kong Coalition of Service Industries, the Vice Chairman of the Economic Policy Committee of the Hong Kong General Chamber of Commerce, and the Honorary Economist of the British Chamber of Commerce in Hong Kong. Mr. Kwok was awarded the Bronze Bauhinia Star in 1999 and was appointed a Justice of the Peace in 2003 by the Government, in recognition of his long and dedicated public service.

Save as disclosed above, Mr. Kwok did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

For the year ended 30 June 2013, Mr. Kwok received director's fee of HK\$100,000 for being a Director of the Company.

**LEE Wai-kwong, Sunny** (Age: 54)

Mr. Lee has been an Independent Non-Executive Director of the Company since 1 November 2013. He holds a Bachelor's Degree and Master's Degree in Operations Research & Industrial Engineering, both from Cornell University in the USA. He is a Distinguished Fellow of Hong Kong Computer Society and Fellow of Hong Kong Institute of Engineers.

Mr. Lee is the Vice-President (Administration) of City University of Hong Kong. He has more than 30 years of experience in business and technology management gained in both Hong Kong and overseas. Mr. Lee was the Executive Director of information technology ("IT") of The Hong Kong Jockey Club ("HKJC"), where he served as member of Board of Management and had overall responsibility for HKJC's IT strategy and innovation.

Prior to joining HKJC, Mr. Lee served at The Hong Kong and China Gas Company Limited (Towngas) where he was an Executive Committee Member and held a number of key positions thereat, including Chief Information Officer of the group and Chief Executive Officer of two strategic diversification businesses, iCare.com Limited and Towngas Telecommunications Company Limited.

During the early 1990's, Mr. Lee was Vice President and Systems Director of the Bank of America in Hong Kong, where he played a key role in building up IT capabilities to support the bank's business expansion in Asia. He has also held key IT positions in the financial, management consulting and manufacturing industries in the USA.

Mr. Lee takes time to serve in many high level governing and advisory committees in the academic, professional and community arena. He is a Board Director of The Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI), the Board Chairman of Hong Kong Education City, a Council Member of Hong Kong Management Association, an Audit Committee Member of Hong Kong Housing Society and an academic advisor to many universities in Hong Kong. Mr. Lee is also a past President of Hong Kong Computer Society, a past Chairman of the Hong Kong Institute of IT Professional Certification and a past Council Member of Vocational Training Council.

Mr. Lee was a recipient of Hong Kong's Ten Outstanding Young Digi Persons Award in 1999, Asia CIO Award in 2002 and 2007, China Top CIO Award in 2007, 2009 Asian IT Influencer recognition, 2009 China Best Value CIO Award, and 2011 Hong Kong CIO Outstanding Achievement Award. He was appointed a Justice of the Peace in 2010 and was a torchbearer of the 2008 Beijing Olympics, representing Hong Kong's IT achievers.

Save as disclosed above, Mr. Lee did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

The Company had entered into service contracts with its Executive Directors for a period of three years (except for the Chief Executive Officer of the Company who had no fixed term of service with the Company) and shall continue thereafter until terminated by either party giving to the other notice in writing. All Non-Executive Directors (including the Independent Non-Executive Directors) of the Company had received letters of appointment from the Company for a period not exceeding three years.

Each Director of the Company is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Director's fee (which will be a pro rata amount for the duration of his directorship for an incomplete year) of each Director of the Company is fixed by the Board while the annual salary, if any, will be determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of discretionary bonus, if any, will be determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. Subsequent to the period ended 31 December 2013, Mr. John Anthony Miller and Mr. Kwok Ping-sheung, Walter resigned as Non-Executive Directors of the Company with effect from 1 January 2014 and 27 January 2014 respectively.

## Consolidated Income Statement

For the three and six months ended 31 December 2013

	Notes	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue		<b>211,130</b>	188,456	<b>415,915</b>	369,614
Cost of sales		<b>(76,097)</b>	(76,509)	<b>(151,907)</b>	(153,759)
Gross profit		<b>135,033</b>	111,947	<b>264,008</b>	215,855
Other income	3	<b>8,517</b>	9,549	<b>18,058</b>	19,092
Selling expenses		<b>(890)</b>	(1,371)	<b>(1,892)</b>	(3,100)
Administrative expenses		<b>(8,808)</b>	(8,016)	<b>(16,984)</b>	(15,997)
Profit before taxation		<b>133,852</b>	112,109	<b>263,190</b>	215,850
Income tax expense	4	<b>(20,515)</b>	(16,750)	<b>(40,015)</b>	(32,135)
Profit for the period attributable to the owners of the Company	5	<b>113,337</b>	95,359	<b>223,175</b>	183,715
Earnings per share	6				
– Basic (Remark)		<b>2.80 cents</b>	2.36 cents	<b>5.52 cents</b>	4.54 cents

### Remark:

Upon completion of the bonus issue of shares (with a convertible note alternative) on 25 November 2010, the Company had 2,342,675,478 ordinary shares in issue and outstanding notes convertible into 1,720,292,188 fully paid ordinary shares, representing a total of 4,062,967,666 shares which form the basis for the calculation of basic earnings per share. Adjustments are made in respect of shares repurchased. Details of earnings per share calculation and the Company's share capital are set out in notes 6 and 12 respectively.

# Consolidated Statement of Comprehensive Income

For the three and six months ended 31 December 2013

	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Profit for the period	<b>113,337</b>	95,359	<b>223,175</b>	183,715
Other comprehensive (expense)/income for the period				
Items that may be reclassified subsequently to the consolidated income statement:				
Change in fair value of investments	<b>(2,461)</b>	2,787	<b>(41)</b>	13,381
Exchange differences arising from translation of operations outside Hong Kong	<b>27</b>	25	<b>40</b>	14
	<b>(2,434)</b>	2,812	<b>(1)</b>	13,395
Total comprehensive income for the period	<b>110,903</b>	98,171	<b>223,174</b>	197,110
Total comprehensive income attributable to:				
Owners of the Company	<b>110,783</b>	98,062	<b>222,989</b>	197,045
Non-controlling interests	<b>120</b>	109	<b>185</b>	65
	<b>110,903</b>	98,171	<b>223,174</b>	197,110

## Consolidated Statement of Financial Position

At 31 December 2013

	Notes	(Unaudited) 31 December 2013 HK\$'000	(Audited) 30 June 2013 HK\$'000
<b>Non-current assets</b>			
Investment properties		<b>1,161,000</b>	1,161,000
Property, plant and equipment	7	<b>1,481,720</b>	1,063,218
Investments	8	<b>355,171</b>	353,621
		<b>2,997,891</b>	2,577,839
<b>Current assets</b>			
Investments	8	<b>116,947</b>	118,538
Inventories		<b>3,345</b>	3,164
Trade and other receivables	9	<b>64,769</b>	65,024
Amounts due from customers for contract works		<b>7,184</b>	4,366
Bank balances and deposits		<b>500,582</b>	1,111,223
		<b>692,827</b>	1,302,315
<b>Current liabilities</b>			
Trade and other payables	10	<b>291,255</b>	246,634
Deferred revenue	11	<b>35,021</b>	34,226
Amounts due to customers for contract works		<b>390</b>	390
Tax payables		<b>49,961</b>	86,193
		<b>376,627</b>	367,443
<b>Net current assets</b>		<b>316,200</b>	934,872
<b>Total assets less current liabilities</b>		<b>3,314,091</b>	3,512,711

## Consolidated Statement of Financial Position (continued)

At 31 December 2013

	Notes	(Unaudited) 31 December 2013 HK\$'000	(Audited) 30 June 2013 HK\$'000
Non-current liabilities			
Deferred tax liabilities		<b>84,478</b>	85,031
Deferred revenue	11	<b>161,286</b>	175,457
		<b>245,764</b>	260,488
		<b>3,068,327</b>	3,252,223
Capital and reserves			
Share capital	12	<b>232,234</b>	232,234
Reserve arising from issuance of convertible notes	12	<b>172,006</b>	172,006
Other reserves		<b>2,649,844</b>	2,833,925
Equity attributable to owners of the Company		<b>3,054,084</b>	3,238,165
Non-controlling interests		<b>14,243</b>	14,058
Total equity		<b>3,068,327</b>	3,252,223

# Consolidated Statement of Changes in Equity

For the six months ended 31 December 2013

	Attributable to owners of the Company								
	2013								
	Share capital	Share premium	Reserve arising from issuance of convertible notes	Exchange reserve	Investments revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note)								
At 1 July 2013	232,234	2,315,239	172,006	1,410	21,571	495,705	3,238,165	14,058	3,252,223
Profit for the period	-	-	-	-	-	223,175	223,175	-	223,175
Change in fair value of investments	-	-	-	-	(41)	-	(41)	-	(41)
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	(145)	-	-	(145)	185	40
Total comprehensive (expense)/income for the period	-	-	-	(145)	(41)	223,175	222,989	185	223,174
Conversion of convertible notes	-	-	-	-	-	-	-	-	-
Final dividend and distribution paid	-	-	-	-	-	(407,070)	(407,070)	-	(407,070)
<b>At 31 December 2013</b>	<b>232,234</b>	<b>2,315,239</b>	<b>172,006</b>	<b>1,265</b>	<b>21,530</b>	<b>311,810</b>	<b>3,054,084</b>	<b>14,243</b>	<b>3,068,327</b>

	Attributable to owners of the Company								
	2012								
	Share capital	Share premium	Reserve arising from issuance of convertible notes	Exchange reserve	Investments revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note)								
At 1 July 2012	232,223	2,315,239	172,017	1,651	34,696	295,570	3,051,396	13,753	3,065,149
Profit for the period	-	-	-	-	-	183,715	183,715	-	183,715
Change in fair value of investments	-	-	-	-	13,381	-	13,381	-	13,381
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	(51)	-	-	(51)	65	14
Total comprehensive (expense)/income for the period	-	-	-	(51)	13,381	183,715	197,045	65	197,110
Final dividend and distribution paid	-	-	-	-	-	(330,668)	(330,668)	-	(330,668)
<b>At 31 December 2012</b>	<b>232,223</b>	<b>2,315,239</b>	<b>172,017</b>	<b>1,600</b>	<b>48,077</b>	<b>148,617</b>	<b>2,917,773</b>	<b>13,818</b>	<b>2,931,591</b>

## Consolidated Statement of Changes in Equity (continued)

*For the six months ended 31 December 2013*

Note:

Pursuant to an ordinary resolution in relation to the bonus issue of shares (with a convertible note alternative) passed at the extraordinary general meeting of the Company held on 1 November 2010, 311,191,645 bonus shares of HK\$0.1 each were issued on 25 November 2010 on the basis of one bonus share for every existing share held by the shareholders of the Company whose names appeared on the register of members of the Company on 1 November 2010.

Reserve arising from issuance of convertible notes was then capitalised from the Company's share premium account for the purpose of issue of new shares upon conversion of the convertible notes ("Notes") which were constituted by the deed poll dated 25 November 2010. This reserve balance represented the aggregate amount of the Notes outstanding at the period end. 500 of the Notes were exercised and converted into shares by noteholders during the six months ended 31 December 2013 (2012: Nil). As a result, 1,720,059,135 of the Notes remained outstanding as at 31 December 2013 (2012: 1,720,170,135).

The Notes are unlisted, non-transferable and irredeemable but have conversion rights entitling the noteholders to convert into an equivalent number of shares as the number of bonus shares which the noteholders would otherwise be entitled to receive under the bonus issue had the shareholder not elected for the Notes. The Notes do not carry voting rights at any general meeting of shareholders of the Company. The noteholders can exercise the conversion rights at anytime after the issue of the Notes, subject to the terms and conditions of the deed poll constituting the Notes. The Notes were recognised as equity and are presented in reserves as reserve arising from issuance of convertible notes.

## Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2013

	(Unaudited) Six months ended 31 December	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Net cash from operating activities	<b>244,789</b>	236,102
Net cash used in investing activities	<b>(448,387)</b>	(80,591)
Cash used in financing activities	<b>(407,070)</b>	(330,668)
Net decrease in cash and cash equivalents	<b>(610,668)</b>	(175,157)
Cash and cash equivalents at 1 July	<b>1,111,223</b>	975,991
Effect of foreign exchange rate changes	<b>27</b>	18
Cash and cash equivalents at 31 December, represented by bank balances and deposits	<b>500,582</b>	800,852

# Notes to the Interim Financial Statements

## 1. BASIS OF PREPARATION

The Group's interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Chapter 18 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The principal accounting policies used in the interim financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2013. The financial statements are unaudited but have been reviewed by the Audit Committee.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning 1 July 2013, the application has no material impact on the reported results and the financial position of the Group for the current and/or prior accounting periods. For those which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

## 2. SEGMENT INFORMATION

Segment profit represents the profit earned by each segment without allocation of central administrative costs, directors' emoluments, interest income and investment income. This is the measure reported to the Group's management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment.

The principal activities of the operating segments and reportable segments of the Group are as follows:

- (a) Data centre and IT facilities cover the provision of data centre, facilities management, web applications and value added services.
- (b) Satellite master antenna television ("SMATV"), communal aerial broadcast distribution ("CABD"), structural cabling and security systems comprise installation and maintenance services for the respective systems.
- (c) Properties holding refers to the Group's interests in investment properties which generate rental and other related income.

## 2. SEGMENT INFORMATION (continued)

### Segment revenue and results

An analysis of the Group's revenue and results, substantially derived from Hong Kong, by reportable segment is as follows:

#### For the six months ended 31 December 2013

	Data centre and IT facilities <i>HK\$'000</i>	SMATV, CABD, structural cabling and security systems <i>HK\$'000</i>	Properties holding <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
<b>REVENUE</b>					
External	343,332	47,717	24,866	–	415,915
Inter-segment	564	176	1,115	(1,855)	–
Total	343,896	47,893	25,981	(1,855)	415,915
<b>RESULTS</b>					
Segment results	224,181	9,800	20,072	–	254,053
Unallocated corporate expenses					(8,696)
Interest income					17,691
Investment income					142
Profit before taxation					263,190

## 2. SEGMENT INFORMATION (continued)

### Segment revenue and results (continued)

For the six months ended 31 December 2012

	Data centre and IT facilities <i>HK\$'000</i>	SMATV, CABD, structural cabling and security systems <i>HK\$'000</i>	Properties holding <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
REVENUE					
External	299,231	46,846	23,537	–	369,614
Inter-segment	1,020	193	1,079	(2,292)	–
<b>Total</b>	<b>300,251</b>	<b>47,039</b>	<b>24,616</b>	<b>(2,292)</b>	<b>369,614</b>
RESULTS					
Segment results	177,682	9,098	18,400	–	205,180
Unallocated corporate expenses					(8,194)
Interest income					18,639
Investment income					225
Profit before taxation					215,850

Inter-segment sales are charged at prevailing market rates.

### 3. OTHER INCOME

	Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Interest income	17,691	18,639
Investment income	142	225
Miscellaneous	225	228
	<b>18,058</b>	19,092

### 4. INCOME TAX EXPENSE

	Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Hong Kong profits tax	40,568	29,502
Deferred tax (credit)/charge	(553)	2,633
	<b>40,015</b>	32,135

Hong Kong profits tax is calculated at 16.5% (2012: 16.5%) on the estimated assessable profits for the period.

### 5. PROFIT FOR THE PERIOD

	Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Profit for the period has been arrived at after charging: Depreciation of property, plant and equipment	<b>48,422</b>	52,959

## 6. EARNINGS PER SHARE

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

	Three months ended 31 December		Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Earnings for the purposes of basic earnings per share	<b>113,337</b>	95,359	<b>223,175</b>	183,715

  

	2013	2012	2013	2012
	Number of shares	Number of shares	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>4,042,399,666</b>	4,042,399,666	<b>4,042,399,666</b>	4,042,399,666

For the purposes of earnings per share, the weighted average number of ordinary shares is calculated after taking into account the effect of the issuance of bonus shares (with a convertible note alternative) in November 2010. Details of the issuance of bonus shares are set out in note 12.

There were no dilutive potential ordinary shares in existence during the three months and six months ended 31 December 2013 and 2012.

## 7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2013, additions to fixed assets amounted to HK\$466,924,000 which included acquisition of the site at Tseung Kwan O designated for high-tier data centre purposes at a land premium of HK\$428,000,000.

## 8. INVESTMENTS

	<b>31 December 2013 HK\$'000</b>	30 June 2013 HK\$'000
Available-for-sale investments:		
Listed debt securities	<b>468,408</b>	468,449
Unlisted equity technology investments	<b>3,710</b>	3,710
	<b>472,118</b>	472,159
Carrying amount analysed for reporting purposes as:		
Non-current assets	<b>355,171</b>	353,621
Current assets (debt securities maturing within one year)	<b>116,947</b>	118,538
	<b>472,118</b>	472,159

## 9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK\$40,840,000 (30 June 2013: HK\$41,141,000), of which 90% aged within 60 days, 7% between 61 to 90 days and 3% more than 90 days (30 June 2013: 93%, 4% and 3% respectively).

The Group allows an average credit period of 30 days to its trade customers.

## 10. TRADE AND OTHER PAYABLES

	<b>31 December 2013 HK\$'000</b>	30 June 2013 HK\$'000
Trade payable aged within 60 days	<b>30,202</b>	19,169
Trade payable aged over 60 days	<b>322</b>	–
	<b>30,524</b>	19,169
Other payables	<b>1,039</b>	842
Deposits received and accruals	<b>259,692</b>	226,623
	<b>291,255</b>	246,634

## 11. DEFERRED REVENUE

Deferred revenue represents lump sum amounts received from customers for the set-up of facilities in respect of operating leases of data centre and IT facilities.

The carrying amount of deferred revenue is as follows:

	<b>31 December 2013 HK\$'000</b>	30 June 2013 HK\$'000
Current liabilities (release to the income statement within one year)	<b>35,021</b>	34,226
Non-current liabilities	<b>161,286</b>	175,457
	<b>196,307</b>	209,683

## 12. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2012, 30 June 2013 and <b>31 December 2013</b>	<b>10,000,000,000</b>	<b>1,000,000</b>
Issued and fully paid:		
At 1 July 2012	2,322,229,531	232,223
Conversion of convertible notes	110,500	11
At 30 June 2013	2,322,340,031	232,234
Conversion of convertible notes	500	–
<b>At 31 December 2013</b>	<b>2,322,340,531</b>	<b>232,234</b>

Pursuant to an ordinary resolution in relation to the bonus issue of shares (with a convertible note alternative) passed at the extraordinary general meeting of the Company held on 1 November 2010, 311,191,645 bonus shares of HK\$0.1 each were issued on 25 November 2010 to the shareholders who were entitled to those bonus shares and did not elect to receive the convertible notes.

Convertible notes in the amount of HK\$172,029,218.80 were issued to shareholders who elected for the convertible note alternative, and the same amount was capitalised from the Company's share premium account as reserve arising from issuance of convertible notes. Holders of the convertible notes are entitled to convert into an equivalent number of shares as the number of bonus shares which the noteholders would otherwise be entitled to receive under the bonus issue. Accordingly, convertible notes can be converted into ordinary shares of HK\$0.1 each on a one-to-one basis.

## 12. SHARE CAPITAL (continued)

During the six months ended 31 December 2013, convertible notes in the amount of HK\$50 were exercised and converted into 500 ordinary shares of the Company (2012: Nil).

	<b>Number of fully paid ordinary shares to be issued/(issued) upon conversion</b>	<b>Amount HK\$'000</b>
At 1 July 2012	1,720,170,135	172,017
Conversion of convertible notes	(110,500)	(11)
At 30 June 2013	1,720,059,635	172,006
Conversion of convertible notes	(500)	–
<b>At 31 December 2013</b>	<b>1,720,059,135</b>	<b>172,006</b>

Upon conversion of all the outstanding convertible notes, the issued share capital of the Company would be 4,042,399,666 fully paid ordinary shares of HK\$0.1 each.

Details of the bonus issue of shares (with a convertible note alternative) are set out in the circular of the Company dated 29 September 2010.

### 13. RELATED PARTY TRANSACTIONS

During the period, the Group had significant transactions with certain related parties as follows:

#### (a) Transactions with Sun Hung Kai Properties Group

	Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Income from maintenance and repair of network infrastructure and security systems	24,860	25,788
Income from installation, operation and provision of cable networking	14,455	16,679
Space and rack rental income	2,017	1,841
E-commerce income	152	278
Lease, licence and management fee charges	8,403	6,463
Property management service fees paid	4,638	4,586
Maintenance and repair charges of network infrastructure and security systems	1,703	1,550
Network infrastructure and security system installation charges	1,406	617
Management fee charges	1,000	1,000
Insurance service charges paid	806	655
Estate agency fees paid	668	631
Cable and network rental charges	398	398
Technical service charges paid	147	355

#### (b) Transaction with a director

During the period, professional fees of HK\$100,000 (2012: HK\$103,000) were paid and payable by the Group to Messrs. Woo, Kwan, Lee & Lo, a firm of solicitors which provided professional services to the Group. Mr. Cheung Wing-yui, a director of the Company, is a consultant of Messrs. Woo, Kwan, Lee & Lo.

#### (c) Compensation of key management personnel

Fees, salaries and other benefits paid and payable by the Group to the key management personnel during the period amounted to HK\$2,783,000 (2012: HK\$2,487,000).

## 14. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade and other receivables, bank balances and deposits, available-for-sale investments and trade and other payables.

The following table presents the carrying value of financial instruments that are measured at fair value at end of reporting date, categorised according to the level of fair value hierarchy defined as follows:

Level 1 – Fair values measured at quoted prices (unadjusted) in active markets.

	<b>31 December 2013 HK\$'000</b>	30 June 2013 HK\$'000
Available-for-sale investments: Listed debt securities (Level 1)	<b>468,408</b>	468,449

Listed investments are stated at quoted market prices. Unlisted equity investments for which fair values cannot be reliably measured are stated at cost less impairment losses.

The fair values of trade receivables, bank deposits and trade payables approximate to their carrying amounts due to the short-term maturities of these assets and liabilities.

The carrying amounts of other financial assets and liabilities in the financial statements are not materially different from their fair values.

There was no transfer of financial assets and liabilities between fair value hierarchy classifications during the six months ended 31 December 2013.

## 15. CAPITAL COMMITMENTS

	<b>31 December 2013 HK\$'000</b>	30 June 2013 HK\$'000
Capital expenditure in respect of acquisition of plant and equipment contracted for but not provided in the financial statements	<b>49,556</b>	17,181

## 16. CONTINGENT LIABILITIES

As at 31 December 2013, the Company has contingent liabilities in respect of guarantees for general banking facilities utilised by group subsidiaries and other performance guarantees in the aggregate of HK\$63,634,000 (30 June 2013: HK\$63,634,000).

## Dividend

The board of Directors of the Company (the "Board") does not recommend the payment of an interim dividend for the six months ended 31 December 2013 (2012: Nil).

## Directors' Interests

As at 31 December 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"), to be notified to the Company and the Stock Exchange, were as follows:

### 1. LONG POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Director	Number of shares held			Total	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2013
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Other interests				
Kwok Ping-luen, Raymond	-	-	3,485,000 <sup>1</sup>	3,485,000	-	3,485,000	0.15
King Yeo-chi, Ambrose	1,000	-	-	1,000	-	1,000	0

Notes:

1. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in the Company by virtue of him being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.

## 2. LONG POSITION IN SHARES AND UNDERLYING SHARES OF ASSOCIATED CORPORATIONS OF THE COMPANY

### (a) Sun Hung Kai Properties Limited (“SHKP”)

Name of Director	Number of shares held				Total	Number of underlying shares held under equity derivatives <sup>1</sup>	Total	% of shares in issue as at 31.12.2013
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Kwok Ping-luen, Raymond	81,142	-	-	444,418,279 <sup>2</sup>	444,499,421	100,000	444,599,421	16.44
Tung Chi-ho, Eric	-	-	-	-	-	80,000	80,000	0
Wong Chin-wah	20,000	-	-	-	20,000	80,000	100,000	0
So Wai-kei, Godwin	-	-	-	-	-	24,000	24,000	0
Kwok Ping-sheung, Walter (resigned with effect from 27 January 2014)	75,000	-	-	21,984,175	22,059,175	-	22,059,175 <sup>3(a)</sup>	0.82
Siu Hon-wah, Thomas	-	-	-	7,000 <sup>4</sup>	7,000	-	7,000	0
Kwok Kwok-chuen	-	-	-	15,639 <sup>5</sup>	15,639	-	15,639	0

Notes:

- These underlying shares of SHKP held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by SHKP under its share option scheme. Particulars of these share options and their movements during the period ended 31 December 2013 were as follows:

Name of Director	Date of grant	Exercise price per share	Exercise period	Number of share options				
				Balance as at 01.07.2013	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Outstanding as at 31.12.2013
HK\$								
Kwok Ping-luen, Raymond	12.07.2010	111.40	12.07.2011 to 11.07.2015	100,000	-	-	-	100,000
Tung Chi-ho, Eric	12.07.2010	111.40	12.07.2011 to 11.07.2015	80,000	-	-	-	80,000
Wong Chin-wah	12.07.2010	111.40	12.07.2011 to 11.07.2015	80,000	-	-	-	80,000
So Wai-kei, Godwin	12.07.2010	111.40	12.07.2011 to 11.07.2015	24,000	-	-	-	24,000

The exercise period of the above-mentioned share options of SHKP is from 12 July 2011 to 11 July 2015. Such share options can be exercised up to 30% of the grant during the period from 12 July 2011 to 11 July 2012, up to 60% of the grant during the period from 12 July 2012 to 11 July 2013 and in whole or in part of the grant during the period from 12 July 2013 to 11 July 2015.

2. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in SHKP by virtue of him being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
- 3(a). The interests of Mr. Kwok Ping-sheung, Walter in SHKP as disclosed here is based on the form of disclosure notification dated 30 January 2014 filed on behalf of Mr. Kwok Ping-sheung, Walter with SHKP and the Stock Exchange under Part XV of the SFO reporting his interests in SHKP as at 29 January 2010, of which he became aware on 27 January 2014.
- (b). On 30 January 2014, an individual substantial shareholder notice form was filed on behalf of Mr. Kwok Ping-sheung, Walter with SHKP and the Stock Exchange in respect of his interests in SHKP, which showed that as at 27 January 2014, he had interests and deemed interests in 195,004,751 shares in SHKP representing approximately 7.21% of the issued share capital of SHKP for the purpose of Part XV of the SFO.
4. These shares were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.
5. These shares were jointly held by Mr. Kwok Kwok-chuen and his spouse.

**(b) SmarTone Telecommunications Holdings Limited (“SmarTone”)**

Name of Director	Number of shares held		Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2013
	Other interests	Total			
Kwok Ping-luen, Raymond	4,475,534 <sup>1</sup>	4,475,534	–	4,475,534	0.43

Note:

1. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in SmarTone by virtue of him being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.

**(c) Mr. Kwok Ping-luen, Raymond had the following interests in shares of the following associated corporations of the Company:**

<b>Name of associated corporation</b>	<b>Attributable holding through corporation</b>	<b>Attributable % of shares in issue through corporation as at 31.12.2013</b>	<b>Actual holding through corporation</b>	<b>Actual % interests in issued shares as at 31.12.2013</b>
Splendid Kai Limited	2,500	25	1,500 <sup>1</sup>	15
Hung Carom Company Limited	25	25	15 <sup>1</sup>	15
Tinyau Company Limited	1	50	1 <sup>1</sup>	50
Open Step Limited	8	80	4 <sup>1</sup>	40

Note:

1. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares by virtue of him being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 December 2013, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have 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 which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

# Share Option Schemes

## 1. SHARE OPTION SCHEMES OF THE COMPANY

By an ordinary resolution of the Company passed at its annual general meeting held on 3 December 2002, the Company adopted a share option scheme (the “Old Scheme”). The Old Scheme became effective on 5 December 2002 following the passing of an ordinary resolution approving the same by the then shareholders at the extraordinary general meeting of SHKP held on the same day.

At the extraordinary general meeting of the Company held on 1 November 2011, an ordinary resolution was passed by the shareholders of the Company for approving the adoption of a new share option scheme (the “Proposed Scheme”) in contemplation of the transfer of listing of the shares in the Company to the Main Board of The Stock Exchange of Hong Kong Limited then proposed and the termination of the Old Scheme when the Proposed Scheme became effective. As the Company did not proceed with the application for the transfer of listing of its shares in 2012 (please refer to the announcement of the Company dated 10 June 2012), not all the conditions to which the Proposed Scheme was subject were fulfilled and the Proposed Scheme therefore did not take effect. Consequently, the Proposed Scheme can no longer be implemented as originally contemplated and no options have been and will be granted under the Proposed Scheme.

By an ordinary resolution of the Company passed at its annual general meeting held on 1 November 2012, the Company adopted a new share option scheme (the “2012 Scheme”) and terminated the Old Scheme. The adoption of the 2012 Scheme and the termination of the Old Scheme became effective on 15 November 2012 following the passing of an ordinary resolution approving the same by the then shareholders at the annual general meeting of SHKP held on the same day. No share options can be granted under the Old Scheme upon its termination.

During the six months ended 31 December 2013, (i) there were no outstanding share options under the Old Scheme; and (ii) no share options have been granted under the 2012 Scheme.

## 2. ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes as mentioned above, at no time during the six months ended 31 December 2013 was the Company or any of its subsidiaries a party to any arrangement 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.

## Interests of Substantial Shareholders

As at 31 December 2013, the interests or short positions of the persons, other than Directors or chief executive of the Company, in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Number of shares held	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2013
Sunco Resources Limited <sup>1</sup> ("Sunco")	1,719,427,500	1,719,427,500 <sup>2</sup>	3,438,855,000	148.08
SHKP <sup>3</sup>	1,719,427,500	1,719,427,500 <sup>2</sup>	3,438,855,000	148.08

Notes:

1. Sunco is the beneficial owner of the 1,719,427,500 shares of the Company and the derivative interests referred to in Note 2 below.
2. These represented the interests in the underlying shares of the Company in respect of the Convertible Notes (which are unlisted, non-transferable, irredeemable and physically settled equity derivatives) in the amount of HK\$171,942,750 convertible into 1,719,427,500 shares of the Company at the conversion price of HK\$0.10 per share (subject to adjustment in accordance with the Deed Poll constituting the Convertible Notes) upon the exercise of the conversion rights attached to the Convertible Notes.
3. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 3,438,855,000 shares of the Company (including 1,719,427,500 underlying shares referred to in Note 2 above) held by Sunco for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 December 2013, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **Interests of Other Persons**

During the six months ended 31 December 2013, other than the interests in shares and underlying shares of the Company and its associated corporations held by the Directors, the chief executive and the substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register required to be kept under Section 336 of the SFO.

## **Interests in Competing Business**

Professor Li On-kwok, Victor, an Independent Non-Executive Director of the Company, is a well recognised leader in the field of information technology development and has been appointed to various positions including consultants and directors to institutions and business entities which are engaged in research, development and relevant business. These institutions and business entities may be in competition with the Group.

Save as disclosed in this section, as at 31 December 2013, none of the Directors or the controlling shareholders of the Company or their respective associates as defined in the GEM Listing Rules has any interest in any business which competes or may compete with the business of the Group.

## **Audit Committee**

The Audit Committee has four members comprising three Independent Non-Executive Directors, Mr. Wong Kai-man (Chairman of the Committee), Professor Li On-kwok, Victor and Professor King Yeo-chi, Ambrose and one Non-Executive Director, Mr. Cheung Wing-yui, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed this report and has provided advice and comments thereon.

## Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 31 December 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## Compliance with the required standard of dealings in Securities Transactions by Directors of Listed Issuers

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in the securities of the Company. Upon the Company's specific enquiry, each Director has confirmed that during the six months ended 31 December 2013, he has fully complied with the required standard of dealings and there is no event of non-compliance.

## Corporate Governance Code

Throughout the six months ended 31 December 2013, the Group has complied with all code provisions in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules.

On behalf of the Board

**Kwok Ping-luen, Raymond**

*Chairman*

Hong Kong, 6 February 2014

*As at the date of this report, the Board comprises five Executive Directors, being Kwok Ping-luen, Raymond, Yan King-shun, Peter, Tung Chi-ho, Eric, Wong Chin-wah and So Wai-kei, Godwin; four Non-Executive Directors, being Cheung Wing-yui, Siu Hon-wah, Thomas, Tsim Wing-kit, Alfred and Fung Yuk-lun, Allen; and five Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose, Wong Kai-man, Kwok Kwok-chuen and Lee Wai-kwong, Sunny.*

**SUNeVision Holdings Ltd.**  
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