



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



2015-2016

Third Quarterly Report

第三季度業績報告

Results for the nine months ended 31 March 2016

截至2016年3月31日止九個月業績



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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 LANGUAGE OR MEANS OF RECEIPT 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 or are deemed to have consented 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") by post to Level 22, Hopewell Centre, 183 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 language or means of receipt 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\$376.2 million for the nine months ended 31 March 2016, a 1.9% increase over the same period last year
- Revenue for the period was HK\$736.5 million, an 8.1% increase over the same period last year, due principally to higher revenue from the Group's data centre operation as a result of healthy rental reversions from existing customers and business growth from new customers
- Gross profit for the period increased to HK\$472.8 million, with gross margin for the period at 64.2%
- Operating expenditure for the period increased to HK\$38.4 million
- The Group's financial position remains strong, with approximately HK\$1,126.6 million in cash and interest-bearing securities on hand. As at 31 March 2016, the Group had a bank borrowing of HK\$200 million

	<b>Jul 2015 to Mar 2016 HK\$'M</b>	Jul 2014 to Mar 2015 HK\$'M
Revenue	<b>736.5</b>	681.6
Gross profit	<b>472.8</b>	450.3
Other income	<b>14.8</b>	22.5
Operating expenditure *	<b>(38.4)</b>	(34.6)
Profit before taxation	<b>449.2</b>	438.2
Income tax expense	<b>(73.0)</b>	(68.9)
Profit for the period attributable to owners of the Company	<b>376.2</b>	369.3

\* Selling, general and administrative expenses

## Chairman's Statement

SUNeVision achieved a profit attributable to owners of the Company of HK\$376.2 million for the nine months ended 31 March 2016 of the financial year 2015/16, which represented an increase of HK\$6.9 million over the same period last year.

Revenue of the Group for the period was HK\$736.5 million, representing an increase of 8.1% compared to the same period last year, mainly driven by a growth in the Group's data centre operations. During the period, the data centre business continues to renew contracts with existing multinational and local customers with healthy rental reversion, and has successfully attracted leading cloud service providers taking up more spaces at the Group's facilities.

Gross profit of the Group for the period continued to grow to HK\$472.8 million with gross margin at 64.2%, despite an increase in rental expenses in relation to an expansion at MEGA Two for a confirmed major tenant moving in shortly. The Group also continues to invest in the expansion of sales and marketing resources to broaden its reach to potential customers particularly for the projects in the pipeline, resulting in an increase in operating expenditure for the period of 11.0% to HK\$38.4 million. Overall, despite these expansion-related cost items, profit attributable to owners of the Company rose slightly to HK\$376.2 million for the first nine months of the financial year 2015/16.

Development of the Group's two key projects, MEGA Two and MEGA Plus, are progressing well. The transformation of the entire MEGA Two facility in Sha Tin into a top-tier data centre is moving to the final phases. MEGA Two will have direct and reliable connectivity to the flagship data centre MEGA. At the same time, the construction of another brand new flagship facility, MEGA Plus, in Tseung Kwan O is solidly on track for completion in 2017. When finished, this state-of-the-art premise will be the only data centre in Hong Kong built on land dedicated to this purpose. This distinguishes MEGA Plus from other data centres built in industrial estates which have more restricted land use.

The Group is undoubtedly in a stage of growth. SUNeVision has a long track record of delivering premium services, and the Group's experienced and committed management and staff team will continue to strive for excellence and accommodate to the changing needs of customers to ensure continued success. The Group will also remain prudent in its financial management for the new project developments.

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

**Kwok Ping-luen, Raymond**

*Chairman*

Hong Kong, 28 April 2016

# Chief Executive Officer's Report

## OVERVIEW

SUNeVision reported its unaudited results for the nine months ended 31 March 2016 of the financial year 2015/16 with a profit attributable to owners of the Company of HK\$376.2 million, an increase of 1.9% over the same period last year. The growth in profit was primarily attributable to data centre business.

## BUSINESS REVIEW

### **iAdvantage**

During the period, iAdvantage renewed existing contracts as well as attracted new orders, with customers mainly comprising telecommunications, internet and cloud service players. The increase in revenue from existing customers has been strong with healthy rental reversion, while customers with strong growth potential in the global cloud service sector were expanding at the Group's facilities. The Group made purposeful effort to enhance existing data centres in terms of facilities and service levels to maintain iAdvantage's position as a leading carrier-neutral data centre operator in Hong Kong. In particular, the Group made investments to establish fibre connections among different data centre sites to further strengthen the connectivity level.

Demand for the current flagship facility MEGA is strong because of its dense connectivity established over the past decade, and plans are in place for upgrades and capacity expansion to drive growth by leveraging this strength further. The transformation of MEGA Two in Sha Tin into a dedicated data centre is progressing smoothly, and is gaining traction among major telecommunications and cloud players. Implementation work to prepare for the entry of a major customer will complete in the coming quarter. The development of MEGA Plus at Tseung Kwan O is also on track and due for completion in 2017, with encouraging interest from potential partners and customers. This will be the first purpose-built facility on land dedicated for data centre use, allowing customers to meet all their business and compliance requirements.

The strategy of iAdvantage is to maintain a strong presence in financial services and telecommunication sectors, while further establishing its foothold in the fast-growing cloud services and content distribution segments. The Group is committed to invest meaningfully in hardware and people to sustain the quality of the data centres and their growth.

### **Super e-Technology**

During the third quarter of the 2015/16 financial year, Super e-Technology successfully secured contracts for the installation of security surveillance, SMATV and IT systems for a combined sum of approximately HK\$88 million, bringing the total contact sum to close to HK\$100 million for the first nine months of the 2015/16 financial year.

Super e-Technology recognizes that the last quarter of the financial year will be challenging for the security surveillance and SMATV sectors in an uncertain economic environment, but it will continue to actively pursue opportunities to expand its service offerings.

### **Super e-Network**

Super e-Network continues to capture new business providing wireless LAN infrastructure in shopping malls. It is proactively seeking opportunities to bid for new projects and to expand its client base.

### **INVESTMENT**

SUNeVision has maintained a prudent approach in its financial management while at the same time committed to continued investment in existing and new infrastructure to enhance the further development of its businesses.

I would like to thank the directors of the Board for their support and guidance, all members of 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, 28 April 2016

## Quarterly Results

For the period ended 31 March 2016 (Unaudited)

The Board of Directors of SUNeVision Holdings Ltd. (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the three months and nine months ended 31 March 2016 together with the comparative unaudited figures for the corresponding periods in 2015 as follows:

### Consolidated Income Statement

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue	2	<b>253,412</b>	233,571	<b>736,459</b>	681,585
Cost of sales		<b>(91,583)</b>	(82,145)	<b>(263,705)</b>	(231,276)
Gross profit		<b>161,829</b>	151,426	<b>472,754</b>	450,309
Other income	3	<b>6,089</b>	7,844	<b>14,809</b>	22,500
Selling expenses		<b>(1,853)</b>	(2,510)	<b>(5,901)</b>	(6,431)
Administrative expenses		<b>(11,290)</b>	(9,120)	<b>(32,489)</b>	(28,128)
Profit before taxation		<b>154,775</b>	147,640	<b>449,173</b>	438,250
Income tax expense	4	<b>(25,063)</b>	(23,620)	<b>(72,983)</b>	(68,913)
Profit for the period attributable to owners of the Company		<b>129,712</b>	124,020	<b>376,190</b>	369,337
Earnings per share	5				
– Basic (Remark)		<b>3.21 cents</b>	3.07 cents	<b>9.31 cents</b>	9.14 cents
– Diluted (Remark)		<b>3.21 cents</b>	N/A	<b>9.31 cents</b>	N/A

#### 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 and diluted 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 5 and 7 respectively.

## Consolidated Statement of Comprehensive Income

	Three months ended 31 March		Nine months ended 31 March	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Profit for the period	<b>129,712</b>	124,020	<b>376,190</b>	369,337
Other comprehensive income/ (expense) for the period				
Items that may be reclassified subsequently to the consolidated income statement:				
Change in fair value of investments	<b>4,209</b>	(1,870)	<b>6,889</b>	(8,246)
Exchange differences arising from translation of operations outside Hong Kong	<b>2</b>	1	<b>(28)</b>	2
	<b>4,211</b>	(1,869)	<b>6,861</b>	(8,244)
Total comprehensive income for the period	<b>133,923</b>	122,151	<b>383,051</b>	361,093
Total comprehensive income attributable to:				
Owners of the Company	<b>133,876</b>	122,142	<b>383,605</b>	361,083
Non-controlling interests	<b>47</b>	9	<b>(554)</b>	10
	<b>133,923</b>	122,151	<b>383,051</b>	361,093



## Notes to the Quarterly Results

### 1. BASIS OF PREPARATION

The Group's unaudited financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The principal accounting policies used in the quarterly financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2015.

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 2015, 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. REVENUE

Revenue represents the aggregate of income from data centre and information technology facilities, installation and maintenance of satellite master antenna television, communal aerial broadcast distribution, structural cabling and security systems, property rentals and building management services, after elimination of all significant inter-company transactions between group companies.

### 3. OTHER INCOME

	Three months ended 31 March		Nine months ended 31 March	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Interest income	5,897	5,816	13,758	19,408
Investment income	–	–	404	751
Miscellaneous	192	2,028	647	2,341
	<b>6,089</b>	7,844	<b>14,809</b>	22,500

#### 4. INCOME TAX EXPENSE

	Three months ended 31 March		Nine months ended 31 March	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Hong Kong profits tax	25,973	25,400	76,190	75,142
Deferred tax credit	(910)	(1,780)	(3,207)	(6,229)
	<b>25,063</b>	23,620	<b>72,983</b>	68,913

Hong Kong profits tax is calculated at 16.5% (2015: 16.5%) on the estimated assessable profits for the periods.

#### 5. EARNINGS PER SHARE

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

	Three months ended 31 March		Nine months ended 31 March	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<b>129,712</b>	124,020	<b>376,190</b>	369,337
	<b>2016 Number of shares</b>	2015 Number of shares	<b>2016 Number of shares</b>	2015 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
Effect of dilutive potential ordinary shares: Share options	–		–	
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>4,042,399,666</b>		<b>4,042,399,666</b>	

## 5. EARNINGS PER SHARE (continued)

For the purposes of basic and diluted 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 7.

The computation of diluted earnings per share for the three months and nine months ended 31 March 2016 does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares during the periods.

There were no other dilutive potential ordinary shares in existence during the three months and nine months ended 31 March 2016 and 2015.

## 6. RESERVES

	Three months ended 31 March							2015 Total HK\$'000
	2016							
	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note)	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	
At beginning of the period	2,315,239	172,003	2,058	3,803	-	531,551	3,024,654	2,950,499
Profit for the period	-	-	-	-	-	129,712	129,712	124,020
Change in fair value of investments	-	-	-	4,209	-	-	4,209	(1,870)
Exchange differences arising from translation of operations outside Hong Kong	-	-	(45)	-	-	-	(45)	(8)
Total comprehensive income/ (expense) for the period	-	-	(45)	4,209	-	129,712	133,876	122,142
Conversion of convertible notes (note 7)	-	-	-	-	-	-	-	(3)
Recognition of equity-settled share-based payments	-	-	-	-	220	-	220	-
<b>At end of the period</b>	<b>2,315,239</b>	<b>172,003</b>	<b>2,013</b>	<b>8,012</b>	<b>220</b>	<b>661,263</b>	<b>3,158,750</b>	<b>3,072,638</b>

## 6. RESERVES (continued)

	Nine months ended 31 March							2015 Total HK\$'000
	2016							
	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note)	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	
At beginning of the period	2,315,239	172,003	1,487	1,123	-	780,267	3,270,119	3,174,817
Profit for the period	-	-	-	-	-	376,190	376,190	369,337
Change in fair value of investments	-	-	-	6,889	-	-	6,889	(8,246)
Exchange differences arising from translation of operations outside Hong Kong	-	-	526	-	-	-	526	(8)
Total comprehensive income/ (expense) for the period	-	-	526	6,889	-	376,190	383,605	361,083
Conversion of convertible notes (note 7)	-	-	-	-	-	-	-	(3)
Recognition of equity-settled share-based payments	-	-	-	-	220	-	220	-
Final dividend and distribution paid	-	-	-	-	-	(495,194)	(495,194)	(463,259)
<b>At end of the period</b>	<b>2,315,239</b>	<b>172,003</b>	<b>2,013</b>	<b>8,012</b>	<b>220</b>	<b>661,263</b>	<b>3,158,750</b>	<b>3,072,638</b>

### 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. 1,500 (2015: 30,802) of the Notes were exercised and converted into shares by noteholders during the nine months ended 31 March 2016. As a result, 1,720,026,833 (2015: 1,720,028,333) of the Notes remained outstanding as at 31 March 2016.

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.

## 7. SHARE CAPITAL

	Number of ordinary shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2014, 30 June 2015 and <b>31 March 2016</b>	<b>10,000,000,000</b>	<b>1,000,000</b>
Issued and fully paid:		
At 1 July 2014	2,322,340,531	232,234
Conversion of convertible notes	30,802	3
At 30 June 2015	2,322,371,333	232,237
Conversion of convertible notes	1,500	–
<b>At 31 March 2016</b>	<b>2,322,372,833</b>	<b>232,237</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.

## 7. SHARE CAPITAL (continued)

During the nine months ended 31 March 2016, convertible notes in the amount of HK\$150 (2015: HK\$3,080) were exercised and converted into 1,500 (2015: 30,802) ordinary shares of the Company.

	<b>Number of fully paid ordinary shares to be issued/(issued) upon conversion</b>	<b>Amount HK\$'000</b>
At 1 July 2014	1,720,059,135	172,006
Conversion of convertible notes	(30,802)	(3)
At 30 June 2015	1,720,028,333	172,003
Conversion of convertible notes	(1,500)	–
<b>At 31 March 2016</b>	<b>1,720,026,833</b>	<b>172,003</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.

## 8. SHARE OPTION SCHEMES

The Company currently operates a share option scheme which was approved on 1 November 2012 and became effective on 15 November 2012 (the "2012 Scheme"). As the share option scheme of the Company which was adopted on 3 December 2002 (the "Old Scheme") expired on 3 December 2012, the shareholders of the Company approved the adoption of the 2012 Scheme and the termination of the Old Scheme at the annual general meeting of the Company held on 1 November 2012. 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 Sun Hung Kai Properties Limited at its annual general meeting held on 15 November 2012. No share options can be granted under the Old Scheme upon its termination.

## 8. SHARE OPTION SCHEMES (continued)

During the nine months ended 31 March 2016 and 2015, there were no outstanding share options under the Old Scheme. During the nine months ended 31 March 2016, 14,600,000 (2015: Nil) share options were granted to certain directors and employees under the 2012 Scheme and all subsequently accepted by the grantees. Particulars of the share options granted under the 2012 Scheme and their movements during the nine months ended 31 March 2016 were as follows:

### For the nine months ended 31 March 2016

Grantees	Date of grant	Exercise price per share HK\$	Exercise period	Number of share options		
				Balance as at 01.07.2015	Granted during the period	Balance as at 31.03.2016
Directors	08.03.2016	2.45	08.03.2017 to 07.03.2021	–	8,000,000	8,000,000
Employees	08.03.2016	2.45	08.03.2017 to 07.03.2021	–	6,600,000	6,600,000
<b>Total</b>				<b>–</b>	<b>14,600,000</b>	<b>14,600,000</b>

The above share options of the Company can be exercised up to 30% of the grant from the first anniversary of the date of grant, up to 60% of the grant from the second anniversary of the date of grant and in whole or in part of the grant from the third anniversary of the date of grant.

The closing price of the shares of the Company immediately before the date on which the share options were granted is HK\$2.44 per share.

Save as disclosed above, no share options were granted or outstanding under the 2012 Scheme during the nine months ended 31 March 2015.

The fair values of the share options granted by the Company were determined by using the Black-Scholes model which is one of the models to estimate the fair value of a share option. The total value of the share options granted on 8 March 2016 under the 2012 Scheme amounting to approximately HK\$5,988,000.

## Dividend

The board of Directors of the Company (the "Board") does not recommend the payment of an interim dividend for the nine months ended 31 March 2016 (2015: Nil).

## Directors' Interests

As at 31 March 2016, 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 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 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 31.03.2016
	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
Yan King-shun, Peter	-	-	-	-	4,000,000 <sup>2</sup>	4,000,000	0.17
Fung Yuk-lun, Allen	-	-	-	-	4,000,000 <sup>2</sup>	4,000,000	0.17
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. These underlying shares of the Company held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by the Company under its share option scheme. Particulars of these share options and their movements during the nine months ended 31 March 2016 are set out in section entitled "Share Option Schemes".



## 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					Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.03.2016
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests	Total			
Kwok Ping-luen, Raymond	188,743	-	-	507,999,186 <sup>1</sup>	508,187,929	-	508,187,929	17.56
Tung Chi-ho, Eric	-	-	-	-	-	100,000 <sup>2</sup> (personal interests in share options)	100,000	0
Wong Chin-wah	20,000	-	-	-	20,000	-	20,000	0
Tsim Wing-kit, Alfred	-	-	-	-	-	48,000 <sup>2</sup> (personal interests in share options)	48,000	0
Siu Hon-wah, Thomas	-	-	-	7,000 <sup>3</sup>	7,000	583 <sup>4B5</sup> (other interests in warrants)	7,583	0
Kwok Kwok-chuen	-	-	-	15,639 <sup>6</sup>	15,639	1,303 <sup>4B7</sup> (other interests in warrants)	16,942	0

Notes:

1. 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.
2. 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 nine months ended 31 March 2016 were as follows:

Name of Director	Date of grant	Exercise price per share	Exercise period	Number of share options				Balance as at 31.03.2016
				Balance as at 01.07.2015	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	
				HK\$				
Tung Chi-ho, Eric	11.07.2014	106.80	11.07.2015 to 10.07.2019	100,000	-	-	-	100,000
Tsim Wing-kit, Alfred	11.07.2014	106.80	11.07.2015 to 10.07.2019	48,000	-	-	-	48,000

The share options of SHKP can be exercised up to 30% of the grant from the first anniversary of the date of grant, up to 60% of the grant from the second anniversary of the date of grant, and in whole or in part of the grant from the third anniversary of the date of grant.

3. These shares were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.
4. These underlying shares of SHKP held under equity derivatives represented warrants issued by SHKP (being regarded for the time being as listed physically settled equity derivatives), each of which entitles the holder thereof to subscribe at any time during the period from 23 April 2014 to 22 April 2016 (both days inclusive) for one (1) fully paid new share in SHKP at an initial subscription price of HK\$98.60 per new share (subject to adjustment).
5. These warrants were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.
6. These shares were jointly held by Mr. Kwok Kwok-chuen and his spouse.
7. These warrants 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 31.03.2016
	Personal interests (held as beneficial owner)	Other interests	Total			
Kwok Ping-luen, Raymond	-	4,639,434 <sup>1</sup>	4,639,434	-	4,639,434	0.44
Fung Yuk-lun, Allen	252,841	-	252,841	-	252,841	0.02

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:**

Name of associated corporation	Attributable shares held through corporation	Attributable % of shares in issue through corporation as at 31.03.2016	Actual shares held through corporation	Actual % of interests in issued shares as at 31.03.2016
Splendid Kai Limited	2,500	25.00	1,500 <sup>1</sup>	15.00
Hung Carom Company Limited	25	25.00	15 <sup>1</sup>	15.00
Tinyau Company Limited	1	50.00	1 <sup>1</sup>	50.00
Open Step Limited	8	80.00	4 <sup>1</sup>	40.00

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 March 2016, 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 of SHKP at its extraordinary general meeting 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 (the "Shareholders") 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 share options have been and will be granted under the Proposed Scheme.

Due to the expiry of the Old Scheme on 3 December 2012, an ordinary resolution was passed by the Shareholders at the annual general meeting held on 1 November 2012 for adopting a new share option scheme (the "2012 Scheme") and terminating 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 of SHKP at its annual general meeting held on the same day. No share options can be granted under the Old Scheme upon its termination.

During the nine months ended 31 March 2016, the Company granted 14,600,000 share options under the 2012 Scheme on 8 March 2016. Particulars of the outstanding share options granted under the 2012 Scheme and their movements during the nine months ended 31 March 2016 were as follows:

Grantees	Date of grant	Exercise price per share	Exercise period	Number of share options				
				Balance as at 01.07.2015	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance as at 31.03.2016
		HK\$						
<b>(i) Directors</b>								
Yan King-shun, Peter	08.03.2016	2.45	08.03.2017 to 07.03.2021	N/A	4,000,000	—	—	4,000,000
Fung Yuk-lun, Allen	08.03.2016	2.45	08.03.2017 to 07.03.2021	N/A	4,000,000	—	—	4,000,000
<b>(ii) Other employees</b>	08.03.2016	2.45	08.03.2017 to 07.03.2021	N/A	6,600,000	—	—	6,600,000
<b>Total</b>				N/A	14,600,000	—	—	14,600,000

The above share options of the Company can be exercised up to 30% of the grant from the first anniversary of the date of grant, up to 60% of the grant from the second anniversary of the date of grant, and in whole or in part of the grant from the third anniversary of the date of grant.

Save as disclosed above, there were no outstanding share options granted under the Old Scheme and the 2012 Scheme during the nine months ended 31 March 2016.

## 2. ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes as mentioned above, at no time during the nine months ended 31 March 2016 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 March 2016, 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 31.03.2016
Sunco Resources Limited ("Sunco") <sup>1</sup>	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 dated 25 November 2010) 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 March 2016, 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 nine months ended 31 March 2016, 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 by the Company 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 above, none of the Directors or the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) have any interest in any business which competes or may compete with the business of the Group during the nine months ended 31 March 2016.

## 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 nine months ended 31 March 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

On behalf of the Board

**Kwok Ping-luen, Raymond**  
*Chairman*

Hong Kong, 28 April 2016

*As at the date of this report, the Board comprises four Executive Directors, being Kwok Ping-luen, Raymond, Yan King-shun, Peter, Tung Chi-ho, Eric and Wong Chin-wah; four Non-Executive Directors, being Cheung Wing-yui, Fung Yuk-lun, Allen, Tsim Wing-kit, Alfred and Siu Hon-wah, Thomas; 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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