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*This announcement, 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 (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.*



## **SUNEVISION HOLDINGS LTD.**

**新意網集團有限公司**

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

**(Stock code: 8008)**

### **HALF-YEAR RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2011**

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

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**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.**

## HIGHLIGHTS

- SUNeVision reported a profit attributable to the owners of the Company of HK\$153.0 million for the six months ended 31 December 2011
- The Group's revenue was HK\$348.2 million for the reporting period, an improvement of HK\$46.5 million when compared with the same period of the previous financial year
- Gross margin for the reporting period was at approximately 52%, which translates into gross profit of HK\$180.5 million
- Other income, being income in addition to revenue from operations, amounted to HK\$19.0 million which was HK\$4.9 million higher than in the corresponding period a year ago
- Operating expenditures for the reporting period were at HK\$19.5 million, comparable to the level in the same period of the previous financial year
- The Group's financial position remains strong, with approximately HK\$1,207 million in cash and interest-bearing securities on hand

	<b>Jul to Dec 2011 HK\$'M</b>	Jul to Dec 2010 HK\$'M
Revenue	<b><u>348.2</u></b>	<u>301.7</u>
Gross profit <i>- as a percentage of revenue</i>	<b>180.5 52%</b>	156.5 52%
Other income	<b>19.0</b>	14.1
Operating expenditures *	<b><u>(19.5)</u></b>	<u>(19.0)</u>
Profit before taxation	<b>180.0</b>	151.6
Income tax expense	<b><u>(27.0)</u></b>	<u>(22.8)</u>
Profit for the period attributable to the owners of the Company	<b><u>153.0</u></b>	<u>128.8</u>

\* *Selling, general and administrative expenses*

## **CHAIRMAN'S STATEMENT**

SUNeVision reported a profit attributable to the owners of the Company of HK\$153.0 million for the six months ended 31 December 2011.

Revenue for the Group increased to HK\$348.2 million, reflecting an improvement of HK\$46.5 million when compared with the same period of the previous financial year, largely driven by the Group's data centre businesses. Gross margin was maintained at approximately 52%, translating into gross profit of HK\$180.5 million for the reporting period.

Other income, being income in addition to revenue from operations, amounted to HK\$19.0 million which was HK\$4.9 million higher than in the corresponding period a year ago, primarily as a result of higher bank interest income.

Operating expenditures for the reporting period were at HK\$19.5 million, comparable to the level in the same period of the previous financial year.

Reflecting stable revenues and effective cost management, profit from operations increased to HK\$180.0 million, an improvement of HK\$28.4 million over the same period of financial year 2010/11.

After allowing for taxation, profit attributable to the owners of the Company was HK\$153.0 million for the first half of the financial year, an increase of 18.8% over the same period in the previous financial year.

The Group's financial position remains strong, with approximately HK\$1,207 million in cash and interest-bearing securities on hand as at 31 December 2011.

iAdvantage continued to successfully conclude new businesses and renewed its existing relationships with multinational and local customers. Overall occupancy was approximately 87% at the period end. Other Group businesses continued to provide quality services to their customers.

In addition to working on new prospects to fill its existing data centres, iAdvantage will continue its pursuit of growth. It will actively look for new premises to increase its data centre space and will evaluate investment opportunities in data centres. iAdvantage will further invest in data centre facilities and services to meet customers' needs and market demand. The last-mile connectivity businesses will carry on leveraging the parent company's significant relationships.

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

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

Hong Kong, 7 February 2012

# CHIEF EXECUTIVE OFFICER'S REPORT

## Overview

SUNeVision reported its unaudited results for the six months ended 31 December 2011 with a profit attributable to the owners of the Company of HK\$153.0 million, representing an increase of HK\$24.2 million over the corresponding period of the previous financial year. This reflects the Group's ability in riding successfully on the favourable trend established in the previous financial year, as well as improvements in the Group's core revenues and operating profitability.

## Business Review

### *iAdvantage*

iAdvantage maintained its steady growth as being a leading carrier-neutral data centre services operator in Hong Kong. Several anchor customers, including both multinational corporations and local enterprises, had renewed and extended their current services agreements. Furthermore, there were continuously new customers acquired during this period contributing by our proven tracked record in providing world class, reliable services and facilities over these years. Our data centres were approximately 87% occupied as at the period end.

Riding on the current success and experience gained, iAdvantage will further develop and enhance its infrastructure and facilities to strengthen its market position and to satisfy newly emerged technological demands.

### *Super e-Technology*

Super e-Technology has successfully secured 13 contracts with a combined contract sum of approximately HK\$9.2 million for the installation of security, surveillance and SMATV systems during the reporting period.

While it maintains a positive outlook in its core business, it is also actively pursuing opportunities in related industry sectors.

### *Super e-Network*

During the reporting period, Super e-Network successfully acquired several sites for deploying new wireless LAN infrastructure in shopping malls and offices for the provision of WIFI services. It continues to explore new opportunities and bid for new projects to expand the broadband deployment and WIFI services to different sectors.

## Investment

The Group has maintained a prudent and conservative approach to investments. Funds will only be committed where returns can be reasonably expected and are justifiably attractive.

## Other Financial Discussion and Analysis

The Group practices prudent financial management and has a strong balance sheet, with ample liquidity and financial resources. The Group had cash and interest bearing securities of approximately HK\$1,207 million. The Group had no gearing (calculated on the basis of net debt to shareholders' funds) as at the period end.

As of 31 December 2011, the Company had contingent liabilities in respect of guarantees for general banking facilities utilised by Group subsidiaries and other guarantees in the aggregate amount of HK\$64.6 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 2011, 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 have been no material changes in the composition of the Group's equity technology investment portfolio since 30 June 2011.

## **Employees**

As of 31 December 2011, the Group had 187 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 and benefits to recognize 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 recognize 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 recognize employees who make significant contributions.

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

**Tsim Wing-kit, Alfred**  
*Chief Executive Officer*

Hong Kong, 7 February 2012

**CONSOLIDATED INCOME STATEMENT**  
**For the three and six months ended 31 December 2011**

	NOTES	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
		2011	2010	2011	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue		<b>177,187</b>	154,552	<b>348,206</b>	301,747
Cost of sales		<b>(85,230)</b>	(74,759)	<b>(167,751)</b>	(145,277)
Gross profit		<b>91,957</b>	79,793	<b>180,455</b>	156,470
Other income	3	<b>10,223</b>	7,186	<b>18,999</b>	14,128
Selling expenses		<b>(1,626)</b>	(1,342)	<b>(4,165)</b>	(2,766)
Administrative expenses		<b>(8,011)</b>	(9,484)	<b>(15,302)</b>	(16,206)
Profit before taxation		<b>92,543</b>	76,153	<b>179,987</b>	151,626
Income tax expense	4	<b>(13,824)</b>	(12,057)	<b>(27,020)</b>	(22,865)
Profit for the period attributable to the owners of the Company	5	<b>78,719</b>	64,096	<b>152,967</b>	128,761
Earnings per share	6				
– Basic (Remark)		<b>1.95 cents</b>	1.58 cents	<b>3.78 cents</b>	3.17 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 have been 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 2011**

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	31 December		31 December	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period	<b>78,719</b>	64,096	<b>152,967</b>	128,761
Other comprehensive income for the period (net of tax)				
Change in fair value of investments	<b>9,438</b>	(4,346)	<b>(8,753)</b>	10,211
Exchange differences arising from translation of operations outside Hong Kong	<b>78</b>	112	<b>283</b>	211
Release upon redemption/disposal of debt securities	<b>-</b>	(872)	<b>(860)</b>	(872)
	<b>9,516</b>	(5,106)	<b>(9,330)</b>	9,550
Total comprehensive income for the period	<b>88,235</b>	58,990	<b>143,637</b>	138,311
Total comprehensive income attributable to:				
Owners of the Company	<b>88,137</b>	58,817	<b>143,288</b>	137,996
Non-controlling interests	<b>98</b>	173	<b>349</b>	315
	<b>88,235</b>	58,990	<b>143,637</b>	138,311

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2011**

	NOTES	(Unaudited) 31 December 2011 HK\$'000	(Audited) 30 June 2011 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>919,000</b>	919,000
Property, plant and equipment	7	<b>1,111,014</b>	1,153,025
Investments	8	<b>296,996</b>	174,872
		<b>2,327,010</b>	2,246,897
<b>CURRENT ASSETS</b>			
Investments	8	<b>123,009</b>	140,888
Inventories		<b>3,889</b>	5,331
Trade and other receivables	9	<b>65,486</b>	59,921
Amounts due from customers for contract work		<b>8,237</b>	10,519
Bank balances and deposits		<b>807,944</b>	1,037,403
		<b>1,008,565</b>	1,254,062
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>237,232</b>	221,168
Deferred revenue	11	<b>41,065</b>	40,003
Amounts due to customers for contract work		<b>441</b>	1,281
Tax payables		<b>34,354</b>	62,770
		<b>313,092</b>	325,222
<b>NET CURRENT ASSETS</b>			
		<b>695,473</b>	928,840
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>3,022,483</b>	3,175,737
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>86,459</b>	89,352
Deferred revenue	11	<b>173,601</b>	193,366
		<b>260,060</b>	282,718
		<b>2,762,423</b>	2,893,019
<b>CAPITAL AND RESERVES</b>			
Share capital	12	<b>232,221</b>	232,921
Reserve arising from issuance of convertible notes	12	<b>172,019</b>	172,019
Other reserves		<b>2,344,350</b>	2,474,595
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
<b>NON-CONTROLLING INTERESTS</b>			
		<b>13,833</b>	13,484
<b>TOTAL EQUITY</b>			
		<b>2,762,423</b>	2,893,019



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 31 December 2011**

	Attributable to owners of the Company 2011								
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
	(Note 1)								
At 1 July 2011	232,921	2,321,165	172,019	1,665	38,481	113,284	2,879,535	13,484	2,893,019
Profit for the period	-	-	-	-	-	152,967	152,967	-	152,967
Change in fair value of investments	-	-	-	-	(8,753)	-	(8,753)	-	(8,753)
Release upon redemption of debt securities	-	-	-	-	(860)	-	(860)	-	(860)
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	(66)	-	-	(66)	349	283
Total comprehensive (expense) income for the period	-	-	-	(66)	(9,613)	152,967	143,288	349	143,637
Conversion of convertible notes	-	-	-	-	-	-	-	-	-
Shares repurchased	(700)	(5,926)	-	-	-	-	(6,626)	-	(6,626)
Final dividend and distribution paid	-	-	-	-	-	(267,607)	(267,607)	-	(267,607)
At 31 December 2011	232,221	2,315,239	172,019	1,599	28,868	(1,356)	2,748,590	13,833	2,762,423

	Attributable to owners of the Company 2010								
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	(Restated) Retained profits/ (Accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
	(Note 1)				(Note 2)				
At 1 July 2010	203,148	2,536,033	-	1,848	32,204	(129,360)	2,643,873	12,878	2,656,751
Profit for the period	-	-	-	-	-	128,761	128,761	-	128,761
Change in fair value of investments	-	-	-	-	10,211	-	10,211	-	10,211
Release upon disposal of debt securities	-	-	-	-	(872)	-	(872)	-	(872)
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	(104)	-	-	(104)	315	211
Total comprehensive (expense) income for the period	-	-	-	(104)	9,339	128,761	137,996	315	138,311
Bonus issue of shares (with a convertible note alternative)	31,119	(203,148)	172,029	-	-	-	-	-	-
Final dividend paid	-	-	-	-	-	(162,519)	(162,519)	-	(162,519)
At 31 December 2010	234,267	2,332,885	172,029	1,744	41,543	(163,118)	2,619,350	13,193	2,632,543

Notes:

- 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. 2,000 of the Notes were exercised and converted into shares by noteholders during the six months ended 31 December 2011. As a result, 1,720,190,135 of the Notes remain outstanding as at 31 December 2011.

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.

- The accumulated losses as at 1 July 2010 have been restated due to the early adoption of the Amendments to HKAS 12 - Deferred tax: recovery of underlying assets for the 2010/11 financial year. As a result, certain totals have been adjusted accordingly.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six months ended 31 December 2011**

	(Unaudited)	
	Six months ended	
	31 December	
	2011	2010
	HK\$'000	HK\$'000
Net cash from operating activities	156,176	227,804
Net cash (used in) from investing activities	(111,703)	5,159
Net cash used in financing activities	(274,233)	(162,519)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(229,760)	70,444
Cash and cash equivalents at 1 July	1,037,403	781,074
Effect of foreign exchange rate changes	301	134
	-----	-----
Cash and cash equivalents at 31 December	807,944	851,652
	=====	=====

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1. Basis of Preparation

The 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 2011. 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 on 1 July 2011, the adoption has no material impact on the reported results and the financial position of the Group for the current or prior accounting periods. For those which are not yet effective and have not been early adopted in prior accounting periods, 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 administration costs, directors’ emoluments, interest income, gain on redemption/disposal of debt securities and investment income. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

The principal activities of the operating 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 system (“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

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

#### For the six months ended 31 December 2011

	Data centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>					
External	279,020	47,283	21,903	-	348,206
Inter-segment	1,399	223	1,079	(2,701)	-
<b>Total</b>	<b>280,419</b>	<b>47,506</b>	<b>22,982</b>	<b>(2,701)</b>	<b>348,206</b>
	=====	=====	=====	=====	=====
<b>RESULTS</b>					
Segment results	143,737	8,663	16,975	-	169,375
Unallocated corporate expenses					(7,535)
Interest income					16,895
Gain on redemption of debt securities and investment income					1,252
<b>Profit before taxation</b>					<b>179,987</b>
					=====

#### For the six months ended 31 December 2010

	Data centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>					
External	234,464	46,810	20,473	-	301,747
Inter-segment	1,159	754	1,067	(2,980)	-
<b>Total</b>	<b>235,623</b>	<b>47,564</b>	<b>21,540</b>	<b>(2,980)</b>	<b>301,747</b>
	=====	=====	=====	=====	=====
<b>RESULTS</b>					
Segment results	120,299	9,574	16,286	-	146,159
Unallocated corporate expenses					(8,319)
Interest income					12,564
Gain on disposal of debt securities and investment income					1,222
<b>Profit before taxation</b>					<b>151,626</b>
					=====

Inter-segment sales are charged at prevailing market rates.

### 3. Other Income

	Six months ended 31 December	
	2011	2010
	HK\$'000	HK\$'000
Interest income	16,895	12,564
Gain on redemption/disposal of debt securities and investment income	1,252	1,222
Miscellaneous	852	342
	<u>18,999</u>	<u>14,128</u>
	=====	=====

### 4. Income Tax Expense

	Six months ended 31 December	
	2011	2010
	HK\$'000	HK\$'000
Current tax		
- Hong Kong profits tax	29,195	21,078
- PRC Enterprise Income Tax	718	421
	<u>29,913</u>	<u>21,499</u>
Deferred tax (credit) charge	(2,893)	1,366
	<u>27,020</u>	<u>22,865</u>
	=====	=====

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

Under the Law of the People's Republic of China ("PRC") on Enterprises Income Tax ("EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

### 5. Profit for the Period

	Six months ended 31 December	
	2011	2010
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	55,690	46,234
	=====	=====

## 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	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Earnings for the purposes of basic earnings per share	78,719	64,096	152,967	128,761
	=====	=====	=====	=====
	2011 Number of shares		2011 Number of shares	
	2010 Number of shares	2010 Number of shares	2010 Number of shares	2010 Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,042,728,275	4,062,967,666	4,046,025,927	4,062,967,666
	=====	=====	=====	=====

4,062,967,666 ordinary shares are deemed to be in issue as at 1 July 2010 assuming that the issuance of bonus shares (with a convertible note alternative) at one bonus share for every existing ordinary share held by capitalising the Company's share premium account has been effective.

There were no dilutive potential ordinary shares in existence during the three months and six months ended 31 December 2011 and 2010.

## 7. Property, Plant and Equipment

During the six months ended 31 December 2011, additions to fixed assets amounted to HK\$13,650,000.

## 8. Investments

	31 December 2011 HK\$'000	30 June 2011 HK\$'000
Available-for-sale investments:		
Debt securities	399,358	292,586
Equity technology investments	20,647	23,174
	=====	=====
	420,005	315,760
	=====	=====
Carrying amount analysed for reporting purposes as:		
Non-current assets	296,996	174,872
Current assets (debt securities maturing within one year)	123,009	140,888
	=====	=====
	420,005	315,760
	=====	=====

## 9. Trade and Other Receivables

Included in trade and other receivables are trade receivables of HK\$40,221,000 (as at 30 June 2011: HK\$40,103,000), of which 93% aged less than 60 days, 3% between 61 to 90 days and 4% more than 90 days (as at 30 June 2011: 94%, 4% and 2% respectively).

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

## 10. Trade and Other Payables

	<b>31 December 2011 HK\$'000</b>	30 June 2011 HK\$'000
Trade payable aged within 60 days	<b>19,096</b>	18,477
Trade payable aged over 60 days	<b>80</b>	71
	<b>19,176</b>	18,548
Other payables	<b>1,227</b>	1,319
Deposits received and accruals	<b>216,829</b>	201,301
	<b>237,232</b>	221,168

## 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 2011 HK\$'000</b>	30 June 2011 HK\$'000
Current liabilities (release to profit and loss within one year)	<b>41,065</b>	40,003
Non-current liabilities	<b>173,601</b>	193,366
	<b>214,666</b>	233,369

## 12. Share Capital

	<u>Number of ordinary shares</u>	<u>Amount HK\$'000</u>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2010, 30 June 2011 and 31 December 2011	10,000,000,000	1,000,000
	=====	=====
Issued and fully paid:		
At 1 July 2010	2,031,483,833	203,148
Bonus issue of shares by capitalisation of the share premium account	311,191,645	31,119
Conversion of convertible notes	100,053	10
Shares repurchased	(13,568,000)	(1,356)
	-----	-----
At 30 June 2011	2,329,207,531	232,921
Conversion of convertible notes	2,000	-
Shares repurchased	(7,000,000)	(700)
	-----	-----
At 31 December 2011	2,322,209,531	232,221
	=====	=====

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 on a one to one basis.

During the six months ended 31 December 2011, convertible notes in the amount of HK\$200 were exercised and converted into 2,000 ordinary shares.

	<u>Number of fully paid ordinary shares to be issued/(issued) upon conversion</u>	<u>Amount HK\$'000</u>
Reserve arising from issuance of convertible notes in November 2010	1,720,292,188	172,029
Conversion of convertible notes	(100,053)	(10)
	-----	-----
At 30 June 2011	1,720,192,135	172,019
Conversion of convertible notes	(2,000)	-
	-----	-----
At 31 December 2011	1,720,190,135	172,019
	=====	=====

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	
	2011	2010
	HK\$'000	HK\$'000
Income from maintenance and repair of network infrastructure and security systems	23,563	22,361
Income from installation, operation and provision of cable networking	20,789	21,768
Space and rack rental income	1,665	1,284
E-commerce income	284	356
Non-core value added service income	185	244
Lease, licence and management fee charges	5,769	5,039
Property management service fees paid	4,035	3,953
Network infrastructure and security system installation charges	1,465	998
Maintenance and repair charges of network infrastructure and security systems	1,279	1,078
Management fee charges	1,000	1,000
Insurance service charges paid	737	676
Estate agency fees paid	545	537
Cable and network rental charges	398	398
Technical service charges paid	365	505
	=====	=====

#### (b) Transaction with a director

During the period, professional fees of HK\$100,000 (2010: HK\$1,868,000) were paid/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/payable by the Group to the key management personnel during the period amounted to HK\$2,130,000 (2010: HK\$1,901,000).

### 14. Capital Commitments

	31 December	30 June
	2011	2011
	HK\$'000	HK\$'000
Capital expenditure in respect of acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	45,921	974
	=====	=====

### 15. Contingent Liabilities

As at 31 December 2011, the Company had contingent liabilities in respect of guarantees for general banking facilities utilized by group subsidiaries and other performance guarantees in the aggregate of HK\$65 million (as at 30 June 2011: HK\$65 million).

## DIVIDEND

The board of Directors (the “Board”) of the Company does not recommend the payment of an interim dividend for the six months ended 31 December 2011 (2010: Nil).

## DIRECTORS' INTERESTS

As at 31 December 2011, the interests of Directors and chief executive of the Company in the shares and underlying shares 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 which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to 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 31.12.2011
	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&amp;2</sup>	3,485,000	-	3,485,000	0.15
Kwok Ping-kwong, Thomas	-	-	2,140,000 <sup>1</sup>	2,140,000	-	2,140,000	0.09
So Chung-keung, Alfred	-	1,086	-	1,086	-	1,086	0
King Yeo-chi, Ambrose	1,000	-	-	1,000	-	1,000	0

Notes :

1. Of these shares in the Company, Messrs. Kwok Ping-luen, Raymond and Kwok Ping-kwong, Thomas were deemed to be interested in 2,140,000 shares of the Company by virtue of being beneficiaries of certain discretionary trusts, which represented the same interests and were therefore duplicated amongst these two Directors for the purpose of Part XV of the SFO.
2. In addition to the deemed interests as stated in Note 1 above, Mr. Kwok Ping-luen, Raymond was also deemed to be interested in another 1,345,000 shares in the Company by virtue of him being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.
3. The disclosure of the interests in shares of Mr. Kwok Ping-sheung, Walter in this announcement has not been endorsed by Mr. Kwok Ping-sheung, Walter and:
  - (1) By a letter dated 6 October 2011, Mr. Kwok Ping-sheung, Walter informed the Company (after defining “Share Interest” to mean his share interest in the Company) that:

“...my understanding of the Share Interest that I should have is differed [*sic*] from the recent information provide to me by the HSBC Trustee (C.I.) Limited (“HSBCCI”). HSBCCI has refused to furnish me information which demonstrates their claim of my Share Interest. HSBCCI is the Trustee of the Trust which holds all the share interest of SUNeVision of the whole Kwok family. There is clearly a serious dispute (the “Dispute”) in my Share Interest and accordingly I am advised not to endorse any information relating to any Share Interest pending the outcome of the settlement of the Dispute.”
  - (2) In a letter dated 27 October 2011, in response to a statement of disclosure of interests sent by the Company to Mr. Kwok Ping-sheung, Walter for reconfirming his interests and short positions in shares and in respect of equity derivatives, underlying shares and debentures of the Company and its associated corporations as of 30 September 2011, Mr. Kwok Ping-sheung, Walter repeated the following:

“There is clearly a serious dispute (the “Dispute”) in the Share Interest and accordingly I am advised not to endorse any information relating to any Share Interest pending the outcome of the settlement of the Dispute.”



\* Of these 148,000 share options, Mr. Kwok Ping-kwong, Thomas was deemed to be interested in 48,000 share options by virtue of his spouse's interests in such share options.

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.

4. The disclosure of these interests in this announcement has not been endorsed by Mr. Kwok Ping-sheung, Walter. In so far as may be relevant, notes 3(1) and (2) under paragraph 1 (Long position in shares and underlying shares of the Company) are reproduced below:

“(1) By a letter dated 6 October 2011, Mr. Kwok Ping-sheung, Walter informed the Company (after defining “Share Interest” to mean his share interest in the Company) that:

“...my understanding of the Share Interest that I should have is differed [sic] from the recent information provide to me by the HSBC Trustee (C.I.) Limited (“HSBCCI”). HSBCCI has refused to furnish me information which demonstrates their claim of my Share Interest. HSBCCI is the Trustee of the Trust which holds all the share interest of SUNeVision of the whole Kwok family. There is clearly a serious dispute (the “Dispute”) in my Share Interest and accordingly I am advised not to endorse any information relating to any Share Interest pending the outcome of the settlement of the Dispute.”

- (2) In a letter dated 27 October 2011, in response to a statement of disclosure of interests sent by the Company to Mr. Kwok Ping-sheung, Walter for reconfirming his interests and short positions in shares and in respect of equity derivatives, underlying shares and debentures of the Company and its associated corporations as of 30 September 2011, Mr. Kwok Ping-sheung, Walter repeated the following:

“There is clearly a serious dispute (the “Dispute”) in the Share Interest and accordingly I am advised not to endorse any information relating to any Share Interest pending the outcome of the settlement of the Dispute.””

5. These shares were held by a company which is obliged to act in accordance with the instructions of Mr. Chan Kui-yuen, Thomas.
6. These shares were jointly held by Mr. Siu Hon-wah, Thomas 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 31.12.2011
	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 being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.

**(c) Each of Messrs. Kwok Ping-luen, Raymond and Kwok Ping-kwong, Thomas had the following interests in shares of the following associated corporations of the Company:**

Name of associated corporation	Attributable holding through corporation	Attributable % of shares in issue through corporation as at 31.12.2011	Actual holding through corporation	Actual % interests in issued shares as at 31.12.2011
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. Messrs. Kwok Ping-luen, Raymond and Kwok Ping-kwong, Thomas were deemed to be interested in these shares, which represented the same interests and were therefore duplicated amongst these two Directors for the purpose of Part XV of the SFO. These shares were held by corporations under certain discretionary trusts, in which Messrs. Kwok Ping-luen, Raymond and Kwok Ping-kwong, Thomas were deemed to be interested by virtue of being beneficiaries for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 December 2011, none of the Directors or chief executive of the Company had any interest 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 are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, 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

The Company once adopted a share option scheme (the "Old Scheme"). By shareholders' ordinary resolutions passed at the annual general meeting of the Company held on 3 December 2002, the Company had adopted another share option scheme (the "New Scheme") and terminated the Old Scheme. These have become effective on 5 December 2002 as a result of the passing of ordinary resolutions approving the same by the shareholders of SHKP, the Company's holding company, at its extraordinary general meeting held on the same day. All outstanding share options granted under the Old Scheme had expired prior to the period under review.

During the six months ended 31 December 2011, there were no outstanding share options under the New 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 2011 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 of any other body corporate.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2011, the interest of the persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

Name	Number of shares held	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2011
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
HSBCCI <sup>4</sup>	1,721,567,500	1,719,427,500 <sup>2</sup>	3,440,995,000	148.17

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.
4. As HSBCCI is entitled to control the exercise of one-third or more of the voting power at general meetings of SHKP, HSBCCI 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 SHKP for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 December 2011, 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 2011, 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 recognized 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, 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 the half-year results for the six months ended 31 December 2011 and has provided advice and comments thereon.

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

During the six months ended 31 December 2011, the Company repurchased 7,000,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK\$6,582,580 (excluding expenses) for the enhancement of its net asset value and earnings per share. All the repurchased shares were subsequently cancelled. Details of the repurchases of shares are summarized as follows:

Month of the repurchases	Total number of ordinary shares repurchased	Price paid (per share)		Aggregate Consideration paid (excluding expenses) HK\$
		Highest HK\$	Lowest HK\$	
September 2011	2,478,000	0.96	0.91	2,347,560
October 2011	4,522,000	0.95	0.92	4,235,020
	<u>7,000,000</u>			<u>6,582,580</u>

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 December 2011.

## 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 (other than Mr. Kwok Ping-sheung, Walter) has confirmed that during the six months ended 31 December 2011, he has fully complied with the required standard of dealings ("the Standard") and there is no event of non-compliance. As at the date hereof, the Company has not received any confirmation from Mr. Kwok Ping-sheung, Walter as to whether he has fully complied with the Standard during the aforesaid period.

## CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 31 December 2011, the Company has complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

On behalf of the Board

**Kwok Ping-luen, Raymond**

*Chairman*

Hong Kong, 7 February 2012

*As at the date of this announcement, the Board of the Company comprises five Executive Directors, being Kwok Ping-luen, Raymond, Tsim Wing-kit, Alfred, Tung Chi-ho, Eric, Wong Chin-wah and So Wai-kei, Godwin; seven Non-Executive Directors, being Kwok Ping-sheung, Walter, Kwok Ping-kwong, Thomas, Cheung Wing-yui, Chan Kui-yuen, Thomas, So Chung-keung, Alfred, Siu Hon-wah, Thomas and John Anthony Miller; and three Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose and Wong Kai-man.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of publication and on the website of the Company at [www.sunevision.com](http://www.sunevision.com).*