



# 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

First Quarterly Report  
第一季度業績報告

Results for the three months ended 30 September 2013

截至2013年9月30日止三個月業績



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\$109.8 million for the first quarter ended 30 September 2013
- The Group's revenue was HK\$204.8 million for the quarter, representing a 13.0% period-on-period improvement
- Gross profit for the quarter improved to HK\$129.0 million, while the gross margin for the quarter slightly improved to 63.0% compared to 62.7% last quarter
- Other income, being income in addition to revenue from operations, was HK\$9.5 million for the quarter and is comparable to the level in the previous financial year
- Operating expenditures decreased to HK\$9.2 million, mainly as a result of further improvement in cost management
- The Group's financial position remained strong, with approximately HK\$1,710.8 million in cash and interest-bearing securities on hand
- In October 2013, the Group was successful in tendering the site in Tseung Kwan O designated for high-tier data centre purposes at a land premium of HK\$428 million

	<b>Jul to Sep 2013 HK\$'M</b>	Jul to Sep 2012 HK\$'M
Revenue	<b>204.8</b>	181.2
Gross profit	<b>129.0</b>	103.9
– as a percentage of revenue	<b>63%</b>	57%
Other income	<b>9.5</b>	9.5
Operating expenditures *	<b>(9.2)</b>	(9.7)
Profit before taxation	<b>129.3</b>	103.7
Income tax expense	<b>(19.5)</b>	(15.3)
Profit for the period attributable to the owners of the Company	<b>109.8</b>	88.4

\* Selling, general and administrative expenses

## Chairman's Statement

SUNeVision began the 2013/14 financial year with the first-quarter profit attributable to owners of the Company of HK\$109.8 million. Compared to the same quarter last year, this is an increase of 24.2% (1Q-2012/13 was HK\$88.4 million).

Revenue of the Group for the quarter was HK\$204.8 million, representing a 13.0% period-on-period improvement (1Q-2012/13 was HK\$181.2 million). This is mainly a result of the contribution from our data centre business. Gross profit for the quarter increased to HK\$129.0 million (1Q-2012/13 was HK\$103.9 million), while the gross margin for the quarter slightly improved to 63.0% compared to 62.7% last quarter.

Other income, being income in addition to revenue from operations, was HK\$9.5 million for the quarter and is comparable to the level in the previous financial year.

Operating expenditures decreased to HK\$9.2 million (1Q-2012/13 was HK\$9.7 million) mainly as a result of further improvement in cost management.

Sustained revenue growth and effective cost management have contributed to the Group's enhanced profitability. After allowing for taxation, the Group reported a profit attributable to the owners of the Company of HK\$109.8 million for the first quarter of 2013/14 financial year. This represents a 24.2% increase over the same period in the last financial year.

The Group's financial position remained strong with approximately HK\$1,710.8 million in cash and interest-bearing securities on hand as of 30 September 2013. Payment of the HK\$407.1 million final dividend and distribution for the 2012/13 financial year, representing the full distribution of the underlying profit, as approved by the shareholders at the Annual General Meeting on 31 October 2013, will be made on or before 15 November 2013.

In pursuit of further business growth to optimise shareholders return, the Group submitted a bid on the Tseung Kwan O Lot number 122 Data Centre Land at HK\$428 million and was awarded the site by the Government on 9 October 2013. This development will add to the business capacity of the Group's data centre services and further extend our current geographic coverage of data centres in Chai Wan, Kwun Tong, Tsuen Wan and Sha Tin to Tseung Kwan O. We will also be able to further enhance our capability to meet our customer needs in terms of location, space and service quality.

The Group is fully committed to satisfying customers' requirements in the rapidly changing business and technology environment. We will continue to actively seek development opportunities in data centre infrastructure and services to enable our customers to be more competitive.

We welcome our new CEO and executive director, Mr. Yan King-shun, Peter, and our new independent non-executive director, Mr. Lee Wai-kwong, Sunny, who joined us in October and November 2013 respectively. I also thank Mr. Tsim Wing-kit, Alfred, our former CEO, who has stayed on as non-executive director, for his contribution to the Group over the years.

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

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

Hong Kong, 7 November 2013

# Chief Executive Officer's Report

## OVERVIEW

SUNeVision reported its unaudited results for the first quarter of the 2013/14 financial year with a profit attributable to the owners of the Company of HK\$109.8 million, continuing our profitability growth mainly due to the favourable performance of the data centre business. The first quarter results for the period ended 30 September 2013 represented an increase in profit attributable to the owners of HK\$21.4 million and a 24.2% growth over the same period of the last fiscal year.

With the acceptance of our tender offer for the Tseung Kwan O Data Centre Land by the Government on 9 October 2013, the Company will further realise its growth strategy in its data centre service business and be well-positioned to capture growing market demand.

## BUSINESS REVIEW

### **iAdvantage**

As one of the major carrier-neutral data centre service providers in Hong Kong, iAdvantage has continued to invest in and upgrade its existing data centre infrastructure and facilities.

For the reporting period, iAdvantage continued to generate strong growth in additional business from existing customers and through acquiring new customers. Further data centre space in existing service facilities in Sha Tin was obtained in September 2013. A new service contract for the newly acquired data centre space was secured shortly after and work on customised site conversion has begun.

iAdvantage's strategically located data centres, its high quality data centre infrastructure, its various ISO certified services in environmental management and security, its proven track record and experience, and a dedicated team of data centre professionals, continue to enable iAdvantage to win additional business from existing and new customers. These key competitive advantages maintained iAdvantage's strong market position and will continue to let iAdvantage compete favourably amid the increasingly intense competition.

### **Super e-Technology**

During the reporting period, Super e-Technology successfully secured 14 contracts with a combined sum of approximately HK\$35 million for the installation of security and surveillance, SMATV, people counting, vehicle access, and IT systems.

Super e-Technology remains positive with regards to the security and surveillance and SMATV sectors, and continues to actively pursue opportunities to expand its service offerings.

### **Super e-Network**

Super e-Network has been actively seeking opportunities to expand its WiFi networks in shopping malls and has achieved higher contribution from new WiFi business during the reporting period. It continues to actively seek new business opportunities in wireless communication infrastructure.

## **INVESTMENT**

SUNeVision has maintained prudent financial management and continued to explore investment opportunities to enhance the further development of its core businesses.

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 for their continued confidence and support.

**Yan King-shun, Peter**

*Chief Executive Officer*

Hong Kong, 7 November 2013

## Quarterly Results

For the period ended 30 September 2013 (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 ended 30 September 2013 together with the comparative unaudited figures for the corresponding period in 2012 as follows:

### Consolidated Income Statement

	Notes	Three months ended 30 September	
		2013 HK\$'000	2012 HK\$'000
Revenue	2	<b>204,785</b>	181,158
Cost of sales		<b>(75,810)</b>	(77,250)
Gross profit		<b>128,975</b>	103,908
Other income	3	<b>9,541</b>	9,543
Selling expenses		<b>(1,002)</b>	(1,729)
Administrative expenses		<b>(8,176)</b>	(7,981)
Profit before taxation		<b>129,338</b>	103,741
Income tax expense	4	<b>(19,500)</b>	(15,385)
Profit for the period attributable to the owners of the Company		<b>109,838</b>	88,356
Earnings per share	5		
– Basic (Remark)		<b>2.72 cents</b>	2.19 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 5 and 7 respectively.

## Consolidated Statement of Comprehensive Income

	Three months ended 30 September	
	2013 HK\$'000	2012 HK\$'000
Profit for the period	<b>109,838</b>	88,356
Other comprehensive income for the period Items that may be reclassified subsequently to the consolidated income statement:		
Change in fair value of investments	<b>2,420</b>	10,594
Exchange differences arising from translation of operations outside Hong Kong	<b>13</b>	(11)
	<b>2,433</b>	10,583
<b>Total comprehensive income for the period</b>	<b>112,271</b>	98,939
Total comprehensive income attributable to:		
Owners of the Company	<b>112,206</b>	98,983
Non-controlling interests	<b>65</b>	(44)
	<b>112,271</b>	98,939



## 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 2013.

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. 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 30 September	
	2013 HK\$'000	2012 HK\$'000
Interest income	9,427	9,428
Miscellaneous	114	115
	<b>9,541</b>	<b>9,543</b>

#### 4. INCOME TAX EXPENSE

	Three months ended 30 September	
	2013 HK\$'000	2012 HK\$'000
Hong Kong profits tax	20,325	15,919
Deferred tax credit	(825)	(534)
	<b>19,500</b>	15,385

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

#### 5. 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 30 September	
	2013 HK\$'000	2012 HK\$'000
Earnings for the purposes of basic earnings per share	109,838	88,356

  

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

## 5. EARNINGS PER SHARE (continued)

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 7.

There were no dilutive potential ordinary shares in existence during the three months ended 30 September 2013 and 2012.

## 6. RESERVES

	Three months ended 30 September						2012 Total HK\$'000
	2013						
	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note 1)	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Retained profits HK\$'000 (Note 2)	Total HK\$'000	
At beginning of the period	2,315,239	172,006	1,410	21,571	495,705	3,005,931	2,819,173
Profit for the period	–	–	–	–	109,838	109,838	88,356
Change in fair value of investments	–	–	–	2,420	–	2,420	10,594
Exchange differences arising from translation of operations outside Hong Kong	–	–	(52)	–	–	(52)	33
Total comprehensive (expense)/ income for the period	–	–	(52)	2,420	109,838	112,206	98,983
<b>At end of the period</b>	<b>2,315,239</b>	<b>172,006</b>	<b>1,358</b>	<b>23,991</b>	<b>605,543</b>	<b>3,118,137</b>	<b>2,918,156</b>

## 6. RESERVES (continued)

### Notes:

1. 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. No Notes were exercised and converted into shares by noteholders during the three months ended 30 September 2013 and 2012. As a result, 1,720,059,635 of the Notes remained outstanding as at 30 September 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.

2. At a meeting held on 10 September 2013, the Board recommended the declaration of a final dividend of HK10.07 cents per share for the year ended 30 June 2013. This proposed dividend was not included as a dividend payable in the consolidated statement of financial position as at 30 September 2013.

## 7. SHARE CAPITAL

	Number of ordinary shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2012, 30 June 2013 and <b>30 September 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 and <b>30 September 2013</b>	<b>2,322,340,031</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.

During the three months ended 30 September 2013 and 2012, no convertible notes were exercised and converted into ordinary shares of the Company.

## 7. SHARE CAPITAL (continued)

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

## 8. EVENT AFTER THE REPORTING PERIOD

A wholly-owned subsidiary of the Company received a letter from the Lands Department of Hong Kong on 9 October 2013 notifying the acceptance of its tender for a piece of land located in Tseung Kwan O at the land premium of HK\$428,000,000. Details of the tender and the acquisition of the land are set out in the announcement of the Company dated 9 October 2013.

## Dividend

The board of Directors of the Company (the "Board") does not recommend the payment of an interim dividend for the three months ended 30 September 2013 (2012: Nil).

## Directors' Interests

As at 30 September 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				Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 30.09.2013
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Other interests	Total			
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. The disclosure of the interests in shares of Mr. Kwok Ping-sheung, Walter in this report has not been endorsed by Mr. Kwok Ping-sheung, Walter and:

- (1) By a letter from Mr. Kwok Ping-sheung, Walter to the Company dated 6 October 2011, Mr. Kwok Ping-sheung, Walter (after defining "Share Interest" to mean his share interest in the Company) stated as follows:  
 "...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) By a letter from Mr. Kwok Ping-sheung, Walter to the Company 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."

The "no interest" position of Mr. Kwok Ping-sheung, Walter in the Company as disclosed here is based on the latest form of disclosure notification dated 23 September 2009 given under 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 30.09.2013
	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-uen, Raymond	79,235	-	-	433,971,622 <sup>2B3</sup>	434,050,857	100,000	434,150,857	16.25
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	75,000	-	-	1,087,663,522	1,087,738,522	-	1,087,738,522 <sup>4</sup>	40.72
Siu Hon-wah, Thomas	-	-	-	7,000 <sup>5</sup>	7,000	-	7,000	0
Kwok Kwok-chuen	-	-	-	15,639 <sup>5</sup>	15,639	-	15,639	0



Notes:

1. 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 30 September 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 30.09.2013
<i>HK\$</i>								
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. On 2 November 2010, HSBC Trustee (C.I.) Limited ("HSBCCI"), as trustee of certain trusts which was then indirectly interested in a total of 1,081,739,328 shares in SHKP, informed the Company that "a re-organisation of such trusts has recently taken place.

Consequent upon such re-organisation, the “interests” as deemed under the provisions of the Securities and Futures Ordinance (Cap 571) of the various Kwok family members who are directors of SHKP in the said 1,081,739,328 shares in SHKP with effect from 29 September 2010 are as follows:

1. Madam Kwong Siu Hing continues to be interested in all the said 1,081,739,328 shares in SHKP;
  2. Each of Mr Kwok Ping Kwong Thomas and Mr Kwok Ping Luen Raymond is interested in 371,286,430 shares out of the said 1,081,739,328 shares in SHKP; and
  3. Mr Kwok Ping Sheung Walter is not interested in any of the said 1,081,739,328 shares in SHKP.
4. The disclosure of these interests in this report has not been endorsed by Mr. Kwok Ping-sheung, Walter. In so far as may be relevant, notes 2(1) and (2) under paragraph 1 (Long position in shares and underlying shares of the Company) are reproduced below:

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

“...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) By a letter from Mr. Kwok Ping-sheung, Walter to the Company 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.”

The interests of Mr. Kwok Ping-sheung, Walter in SHKP as disclosed here is based on the latest form of disclosure notification dated 23 September 2009 given under Part XV of the SFO.

5. These shares 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.

**(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 30.09.2013
	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:**

Name of associated corporation	Attributable holding through corporation	Attributable % of shares in issue through corporation as at 30.09.2013	Actual holding through corporation	Actual % interests in issued shares as at 30.09.2013
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 30 September 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 three months ended 30 September 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 three months ended 30 September 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 30 September 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 30.09.2013
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
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 30 September 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 three months ended 30 September 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 30 September 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 three months ended 30 September 2013, 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, 7 November 2013

*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; five Non-Executive Directors, being Kwok Ping-sheung, Walter, Cheung Wing-yui, Siu Hon-wah, Thomas, John Anthony Miller and Tsim Wing-kit, Alfred; 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.**  
**新意網集團有限公司**

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