



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 : 1686



2023/24 INTERIM REPORT  
中期報告

The technology arm of Sun Hung Kai Properties Limited



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GLOBAL OPERATION CENTER

# Financial Highlights

## FINANCIAL HIGHLIGHTS

For the period	1 Jul 23 – 31 Dec 23 HK\$'000	1 Jan 23 – 30 Jun 23 HK\$'000	1 Jul 22 – 31 Dec 22 HK\$'000	1 Jan 22 – 30 Jun 22 HK\$'000
Revenue	1,289,640	1,237,780	1,108,123	1,090,517
Cost of sales	(607,103)	(547,599)	(477,504)	(474,359)
Gross profit	682,537	690,181	630,619	616,158
Other income	11,676	5,197	5,044	1,669
Gain on liquidation of a subsidiary	–	15,525	–	–
Operating expenditure *	(72,215)	(76,593)	(77,507)	(79,359)
Profit from operations	621,998	634,310	558,156	538,468
Finance costs	(104,106)	(70,612)	(38,160)	(16,028)
Profit before taxation	517,892	563,698	519,996	522,440
Income tax expense	(82,452)	(91,457)	(86,872)	(85,947)
<b>Profit for the period attributable to owners of the Company</b>	<b>435,440</b>	472,241	433,124	436,493
<b>EBITDA **</b>				
Data centre business	906,851	901,892	815,900	786,035
ELV system business and unallocated corporate expenses	(7,379)	(14,949)	(10,503)	(13,211)
	<b>899,472</b>	886,943	805,397	772,824

\* Selling, general and administrative expenses

\*\* Earnings before interest, tax, depreciation and amortisation



# Chairman's Statement

## FINANCIAL HIGHLIGHTS

(in HK\$ million, unless specified)

For the 6 months ended 31 December	2022	2023	% Change
Revenue	1,108	<b>1,290</b>	+16%
– Revenue from data centre and IT facilities	1,019	<b>1,185</b>	+16%
EBITDA	805	<b>899</b>	+12%
Profit attributable to owners of the Company	433	<b>435</b>	+1%
Net cash generated from operating activities excluding movement in working capital	662	<b>715</b>	+8%

## RESULTS

During the period under review, the Group's revenue increased by 16% year on year reaching HK\$1,290 million, primarily driven by price increases and enhanced power usage by our customers. EBITDA rose by 12% year on year to HK\$899 million. Interest costs have risen substantially, but because of growth in business the profit attributable to shareholders still increased by 1% year on year to HK\$435 million. The Group has maintained a strong operating cash inflow, with net cash generated from operating activities (excluding movement in working capital) increasing by 8% to HK\$715 million, compared to the same period last year.

## BUSINESS REVIEW

In the last six months the market demand for data centre services has experienced a significant uptick in interest and actual commitments. This demand uptick is evident both in "connectivity" data centre services as well as "hyperscale" data centre services. MEGA-i, one of Asia's largest connectivity data centre hubs, saw strong demand growth, with customers increasing their presence and undertaking capacity upgrades. With the recent landing of the Asia Direct Cable (ADC), we have seen an increase in the number of cross-connections within our data centres, a trend that is poised to bolster our operations further as the ADC cable's usage intensifies. Additionally, the introduction of new subsea cables in the next few years is expected to enhance our service offerings and infrastructure capabilities. Subsea cables are important not just to the Company but are even more important for Hong Kong. Hong Kong has historically been a major global data hub and a focal point of subsea cables, but in recent years other cities such as Singapore has been aggressive in landing such cables. We believe securing more subsea cables to Hong Kong is critically important for Hong Kong to maintain its strong connectivity with the rest of the world.

There is also a marked increase in the demand for "hyperscale" data centres from our cloud customers, both Chinese and multi-national companies. For some of our locations, we have substantially more demand than supply, and consequently, SUNeVision is prioritising investments to increase power capacity to meet our customers' needs. The first phase of our state-of-the-art facility, MEGA IDC, will be ready to move in by end of March. We already have two major international banks and one major cloud service provider committed as new customers. Furthermore, another major cloud service provider has in principle committed to a significant amount of space in our facility, and we are in the process of completing the legal agreement. In addition to this, we are also receiving a number of other promising enquiries.

Why is there a surge in interest and activity for high-tier data centres? We believe this surge is closely related to the development of artificial intelligence (AI). AI applications have grown substantially and they require high-power servers that can process large amounts of data, and hence AI applications and data centre needs actually grow hand-in-hand. While the most advanced AI servers are usually located in more remote places with cheap electricity, there is still a need for some high-power servers to be located near the end-users i.e. in major cities. We have seen that happening in many cities globally and in Asia, and we are starting to see this in Hong Kong.

Despite robust demand and a strong project pipeline we are exposed to increasing costs. We have witnessed escalating costs in labour, mechanical and electrical equipment, and general construction costs. The market interest rate has likely peaked with predictions they might remain "higher for longer". This financial year marks a peak in capital expenditure for the Group as we complete the buildout and related fit-out infrastructure for MEGA Gateway and Phase 1 of MEGA IDC. While these capital investments are critical for our growth and are expected to generate substantial returns, they exert short-term pressure on our balance sheet. Consequently, we continue to exercise a stringent cost and cash management discipline. Our capital expenditure is deployed on the basis of "just-in-time" to meet confirmed customer orders. Moreover, we continue to benchmark best global practices to enhance capital and operational efficiency. Backed by the continued commitment and support of our major shareholder, the Group is well positioned to meet its financing needs at highly competitive rates, reinforcing the financial strength and stability of the Group.

By the end of December 2023, the Group's total equity was HK\$4.6 billion; this was based on the historical cost of the Group's data centres minus depreciation. If we base the equity on fair market value as at 30 June 2023, as assessed by an independent valuer with reference to open market rents and sales transactions, the Group's total equity would increase to HK\$30.1 billion. Based on this market-based valuation, the Group's gearing ratio (Net Debt to Equity) would be at 49%<sup>1</sup> (with shareholder's loan) or 36%<sup>1</sup> (excluding shareholder's loan).

The Company has complained for many years against unlawful "subletting" by data centre operators in the Tseung Kwan O Industrial Estate (now called InnoPark) of the Hong Kong Science and Technology Parks Corporation ("HKSTP"), and in May 2022 we won the court case against HKSTP. We have recently been informed that the HKSTP has launched its own investigation and discovered clear evidence of "subletting". HKSTP has stated that it has given notices of breaches to these operators and will take action if such breaches are not completely remedied. We believe such breaches are serious matters as these rent-seeking activities will inevitably undermine Hong Kong's quest to be an innovation hub. Such subletting also hurts the end-user companies (which includes financial institutions) because they suffer from poor security and privacy under such arrangements. We urge the HKSTP to 1) publish the full details of their investigation, 2) take actions against rent-seeking operators, and 3) ensure no further subletting happens in the future. We also urge the HKSTP to review internally why it took them many years to realise there is indeed subletting. We support and respect HKSTP as the key entity to drive Hong Kong's push to be an innovation and technology hub, but precisely because HKSTP carries such an important responsibility that it needs to ensure its governance is robust.

## PROSPECTS

One may debate whether there is too much "hype" over AI in recent months, but there is nonetheless a consensus that AI is real and will revolutionise the way we live and work. This has major implications for data centre demand. There will *not just* be substantially more demand for data centre space, there will in particular be more demand for "high-end" data centre space. We have already seen this happening in North America, and this is starting to happen in Asia. This is because high-power AI servers are very demanding in terms of power, loading and cooling. Hong Kong may not house the most advanced servers, but the new servers in Hong Kong will still be much faster than before. These servers are very expensive, and they demand the best infrastructure and service to support their operations. We believe such developments play to the strengths of SUNeVision. For instance, the servers of one of the customers in MEGA IDC require a floor loading that no data centre building in Hong Kong that can satisfy, save MEGA IDC. And we believe such (and other) requirements will only be more demanding in the future.

We also believe Hong Kong remains an attractive market for data centre development. Hong Kong's geographical location is a strength. Hong Kong has a common-law legal system and strong rule-of-law, as evident from the fact that a private company like us can win a court case against the HKSTP. This is why we have been willing to invest over the past few years to expand our capacity. The future phases (beyond Phase 1) of MEGA IDC will comprise an additional 700,000 square feet of Gross Floor Area, which will underpin our growth in our "hyperscale" business. Such high-quality capacity will serve our customers as they grow their business with the advancement of AI. Our new data centres are truly state-of-the-art and can accommodate the most power-hungry AI servers. These new facilities, built by the SHKP Group, are delivered on time to the highest specifications. They are also fully self-owned and under our control. This differentiates us from our competitors who rent industrial buildings with the assets potentially changing hands every few years.

<sup>1</sup> Adjusted gearing ratios are calculated based on fair value of the major completed data centres as of 30 June 2023 and net debt as of 31 December 2023. The adjusted gearing ratios are not defined under HKFRSs and are not presented in accordance with HKFRSs. Further, the adjusted gearing ratios may differ from the gearing ratios used by other companies, including peer companies, potentially limiting the comparability of their financial results to the Company's.

## Chairman's Statement

Given the possibility of sustained high interest rates, we will carefully adjust our capital allocation and cost structure to match customer demand. It's our priority to manage our financial leverage wisely, ensuring that we enhance long-term value for our shareholders. Our demand pipeline is robust, signalling strong customer confidence. SUNeVision remains committed to delivering superior infrastructure and services, maintaining our position as a supplier of choice in the Asia region for data centre services and connectivity. While the external environment remains uncertain, and especially if interest rates remain elevated, we shall closely align capital allocation and our cost structure with customer demand and maintain gearing prudently to ensure we drive long-term shareholder value. The demand pipeline is strong, and SUNeVision will continue to serve its customers with superior infrastructure and service.

The Group will continue to deliver on its Environmental, Social and Governance ("ESG") commitments, investing in and utilising the best-in-class energy-efficient equipment and infrastructure for its data centres. We adhere to environmentally friendly best practices in managing our data centres, with MEGA-i, MEGA Plus and MEGA Two achieving the highest Excellent grade in the Management aspect of BEAM Plus Certification, and the more recent MEGA Gateway, winning the 2023 CAHK STAR Best Data Centre Silver Award.

## APPRECIATION

I want to close by thanking all the Directors and management, and every member of our committed staff for their dedication and hard work to ensure we maintained the high levels of service demanded by our customers. I would also like to thank our shareholders for their continued confidence and support.

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

Hong Kong, 27 February 2024



# Management Discussion and Analysis

## BUSINESS REVIEW

### iAdvantage

SUNeVision operates its data centre business under iAdvantage. As at 31 December 2023, the Group operates seven data centres in Hong Kong (with six owned by the Group) and has one self-owned site under construction. To enhance international connectivity and resilience, the Group owns and operates a cable landing station (“HKIS-1”) with another site (“HKIS-2”) under construction. iAdvantage is the largest, most connected, carrier-neutral, cloud-neutral and cable-neutral data centre operator in Hong Kong. It offers best-in-class facilities built around the MEGA Campus (consisting of MEGA-i, MEGA Plus, MEGA Two, MEGA Fanling and MEGA Gateway) and is regarded as the preferred data centre operator to partner with in Hong Kong. Customers of iAdvantage include global and regional cloud service providers, new economy players, telcos, Internet Service Providers (“ISPs”), large multinationals and local enterprises.

The demand for the Group’s data centre services remained strong during the period under review. Demand for “connectivity” capacity, mainly through MEGA-i, continued to be robust. Several subsea cables are expected to land in Hong Kong in 2024 and 2025, and will likely bring further demand for capacity in the Group’s data centres. Demand for “hyperscale” capacity continued to increase, as cloud service clients with increased power requirements expanded their capacity at the Group’s facilities. To accommodate the rising demand for more powerful computing capabilities for new applications, the Group has enhanced the electrical capacity at its facilities.

The well-established MEGA-i is a major connectivity hub in Asia, currently carrying around 15,000 cross-connects and interconnecting hundreds of global and regional telcos, ISPs, enterprises, cloud and new economy players within its ecosystem. The ongoing upgrade of power capacity at MEGA-i has further strengthened the Group’s ability to meet customers’ increasingly intense power needs and enhanced its leading position in connectivity. MEGA Gateway, the Company’s new data centre in Tsuen Wan had its grand opening in the first quarter of 2023, and customers are ramping up accordingly. MEGA Gateway’s strategic positioning as an expansion of MEGA-i, aimed at becoming the next major connectivity hub, has directed efforts towards attracting high-value, connectivity-intensive customers. This targeted approach has helped increase interconnection revenue. MEGA Plus, the Group’s high-tier flagship data centre located in Tseung Kwan O, continues to see strong demand from global cloud service providers and new economy players. MEGA Two, strategically located in Shatin, serves as a critical pathway for data in and out of mainland China. The revitalisation work on multiple floors of MEGA Two has enabled the Group to capture hyperscale and cloud customers with higher power requirements in this strategic location. MEGA Fanling, the single-user data

centre project, based on an asset-light model, became operational in June 2022 and is ramping up ahead of schedule. The Group, owning the majority of its data centres has a strategic advantage enabling it to provide long-term service stability, which is valued by all its major customers, especially cloud players.

MEGA IDC is the Group’s flagship greenfield project in Tseung Kwan O with approximately 1.2 million square feet GFA and is designed to support an ultra-high IT power capacity of up to 180MW. This truly state-of-the-art facility has extraordinarily abundant electricity provision and a superior infrastructure designed and capable of housing the most demanding servers, capturing the demand driven by artificial intelligence. It is located right next to MEGA Plus and connects directly to MEGA-i through MEGA Plus via a subsea cable system – TKO Connect, providing unrivalled connectivity for the customers. It is being built on land approved for data centre use and is free from any subletting restrictions which apply to data centres in the nearby industrial estate. Construction of Phase 1 of MEGA IDC, consisting of approximately 500,000 square feet GFA and 50MW, has been completed. This facility is the largest data centre in Hong Kong measured by power capacity and will provide customers with the advantage of being able to support their expansion needs for both space and power. The Group has committed several orders from major financial institutions and cloud service providers for this facility. The future phases of MEGA IDC will comprise an additional 700,000 square feet of Gross Floor Area.

The completion of the entire MEGA IDC development project, will increase the total gross floor area of the Group’s data centres in Hong Kong from 1.7 million square feet as at 31 December 2023 to almost 3 million square feet, and its power capacity will increase from 100MW to over 280MW when the facilities are fully operational.

The Hong Kong Segment of China Telecom Global’s Asia Direct Cable (“ADC”) has landed at the Group’s HKIS-1 cable landing station. The added capability of the cable landing stations reinforces the Group’s strategy of providing a one-stop data centre service solution, being a carrier, cloud and now cable-neutral service provider. In March 2022, the Group won the tender for a site in Chung Hom Kok (“RBL1219”) to develop its second cable landing station HKIS-2 for international submarine cables. The two neighbouring sites will offer path diversity and expansion capacity for the subsea cables being planned for Hong Kong.

Cost inflation remains a recurring theme, resulting in an increase in operating costs, including labour, construction, mechanical and electrical equipment costs. The higher for longer interest rate environment has also increased the Group’s financing costs. The Group has been taking action and adopting just-in-time delivery to meet concrete and confirmed customer orders which reinforces the Group’s discipline on cost and cash management.



As the largest data centre service provider in Hong Kong with Asia's number one connectivity, the Group is pleased to be the winner of W. Media 2023 Asia Pacific Cloud & Datacenter, in the category of Project – Data Centre Design & Build. The Group also won the 2023 CAHK STAR Award – Best Data Centre Silver Award for its excellence in MEGA Gateway's design, build, operations and sustainable data centre solutions. HKIS-1 has been recognised as a Gold winner in the 10th annual Asia-Pacific Stevie Awards® for Innovation in Technology Development – Computer Industries. It has also achieved a Rated-4 Certification of "ANSI/TIA-942 DCCC" for HKIS-1. The Group is honoured to have won Data Centre Partner for two consecutive years from HKBN Enterprise Solutions. The Group has received a double win at the 17th China IDC Industry Annual Ceremony, getting the "Best IDC Provider" for 4 consecutive years and the first triumph of "Trusted Partner of Chinese Companies Going Overseas". These industry awards are a recognition of the Group's leading position both in Hong Kong's data centre industry and as a provider of connectivity ecosystem in the region. The Group has received the highest Excellent grade in the Management category of "BEAM Plus Existing Buildings Version 2.0 Selective Scheme" for MEGA-i, MEGA Plus and MEGA Two as well as the certification of LEED Gold Building Design and Construction for MEGA Gateway. The recognition reaffirms that the Group's energy-efficient data centre management practice is reinforcing its environmental goals and supporting its customers' sustainability targets.

With a commitment to improving the Group's environmental, social and governance performance, and contributing to Hong Kong's innovation and technology development, the Group launched its first Startup Programme to help startups scale and provide them with access to a range of infrastructure solutions and a robust ecosystem. The Group actively finds new ways to finance and operate in a more sustainable manner. The Group has secured its first sustainability-linked loan of HK\$3 billion from HSBC, the first of its kind in the Hong Kong data centre sector, to help underpin the long-term sustainability performance of the Group. The Group completed the first purchase of International Renewable Energy Certificates to offset all the carbon emission of general building electricity usage. To reduce its carbon footprint, the Group has installed solar panels in MEGA Plus, and has been involved in the CLP Retro-Commissioning Charter programme to improve the energy efficiency of its buildings. In addition, the Group was awarded the InnoESG Prize in the category of "Sustainable Technology Award 2022" from SocietyNext together with "Recognised Organisation – UNSDG Achievement Awards Hong Kong 2023" from Green Council for its proven track record in ESG. These awards serve as a recognition and are a demonstration of its ongoing commitment to environmental sustainability. The Group will continue to provide world-class data centre infrastructure and services to its customers in a sustainable environment.

### Super e-Technology and Super e-Network

Super e-Technology secured contracts for the installation of Extra Low Voltage ("ELV") and IT systems totaling HK\$41 million during the period under review. Super e-Technology is seeking new opportunities to enhance its service offerings and maintains a positive outlook for the ELV sector.

Super e-Network continued to work with broadband and network service providers to expand its service offerings. It has been actively pursuing new opportunities to expand its broadband and Wi-Fi solutions to different sectors.

## FINANCIAL REVIEW

### Review of operating results

During the period under review, the Group's revenue increased by 16% year on year to HK\$1,290 million. Revenue from data centre and IT facilities business rose by 16% year on year to HK\$1,185 million, primarily driven by increased contract price and power increment for our customers, together with the full year contribution from new contracts signed in the financial year 2022/23. Revenue from the ELV and IT systems business increased by 17% year on year to HK\$105 million as a result of an increased installation fee income. The Group's cost of sales increased by 27% year on year to HK\$607 million, primarily due to higher depreciation charges and operating costs attributable to the expansion of the Group's data centre facilities. Operating expenditure decreased by 7% year on year to HK\$72 million predominantly due to cost efficiencies. The Group's operating expenditure to sales ratio improved from 7% in the previous comparable period to 6%.

Operating profit of the Group rose by 11% year on year to HK\$622 million. Operating profit from data centre and IT facilities (before corporate expenses, interest and tax) rose by 10% year on year to HK\$623 million and operating profit from ELV and IT systems (before corporate expenses, interest and tax) stayed steady at HK\$19 million supported by an increase in installation services.

EBITDA of the Group increased by 12% year on year to HK\$899 million, driven mainly by EBITDA growth from the data centre business. EBITDA margin dropped slightly to 70% due to new sites beginning operations and starting to ramp up.

Profit attributable to owners of the Company stayed steady year on year at HK\$435 million. Finance costs increased by 173% year on year to HK\$104 million mainly due to the increase in borrowing rate.

Net cash generated from operating activities excluding movement in working capital of the Group increased by 8% year on year to HK\$715 million, driven by business growth.

## Management Discussion and Analysis

### Capital Investment

The data centre developments and fit-outs of MEGA Gateway, MEGA IDC and investment in cable landing stations HKIS-1 and HKIS-2 will enhance and expand the Group's high-tier data centre capacity to meet the increasing data demands and operational requirements of the Group's customers. The capital expenditure of the Group is reaching a peak level in this financial year as we are completing the buildout and related fit-out infrastructure for MEGA Gateway and Phase 1 of MEGA IDC. We continue to exercise the highest level of discipline on cost and cash management. All our capital expenditure will be deployed on the basis of just-in-time to meet concrete and confirmed customer orders. The data centre business is a capital-intensive industry, requiring long-term capital commitment. The Group is committed to continuing investment in existing and new infrastructure for new business development and regularly reviews its investment profile to take into account the changing customer and market environment.

### Other financial discussion and analysis

The Group had HK\$354 million bank balances and deposits as of 31 December 2023, while bank borrowings were HK\$11,331 million. Total net bank borrowings increased by 16% to HK\$10,977 million compared to HK\$9,498 million as at 30 June 2023. The shareholder's loan was HK\$3,800 million as at 31 December 2023, being an unsecured 6-year term loan from Sun Hung Kai Properties Limited and its subsidiaries (the "SHKP Group") at a fixed interest rate of 3% per annum, maturing in 2025. SHKP Group will continue to support the Group's development in the long term.

The gearing ratio, being net debt divided by equity attributable to owners of the Company, as of 31 December 2023 was 319%; excluding the long-term unsecured shareholder's loan of HK\$3,800 million from SHKP Group, such ratio was 237%.

The Group's self-occupied data centres are recorded at historical cost less depreciation on its financial statements. For illustrative purpose, after taking into account the fair value of the major completed data centres valued by an independent property valuer with reference to open market rents and sales transactions, the Group's equity would be noticeably increased and on this basis, the adjusted gearing ratios including and excluding shareholder's loan would be substantially reduced to 49% and 36% respectively. The Group will continue to review annually the fair value of its existing properties, as well as the properties in the pipeline as when completed, and plan to provide the supplementary adjusted net gearing ratios to facilitate a more meaningful insight to the Group's financial position.

As of 31 December 2023, the Group had no contingent liability while the Company had an aggregate of HK\$11,450 million contingent liabilities in respect of guarantees for general banking facilities utilised by the Group's subsidiaries and other guarantees. 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. The Group had not pledged any of its assets as of 31 December 2023.

### EMPLOYEES

The Group employed 491 full-time employees as of 31 December 2023. During the period under review, SUNeVision continued to promote and protect the health and safety of its employees. The Group has implemented various measures to safeguard the wellbeing of its employees whilst maintaining the highest service standards for customers.

To remain an employer of choice and attract new talent in an increasingly competitive labour market, SUNeVision has introduced a range of programmes to support the development and retention of its people. Training workshops are organised regularly whereby employees can develop skills to enhance their career. In addition, the Group offers a competitive remuneration package to employees. Fringe benefits, including Mandatory Provident Fund contributions and medical insurance, are reviewed regularly. Share options are granted to selected Directors and employees based on performance and as part of the package to retain talents.



# Directors' Profile

## EXECUTIVE DIRECTORS

### Kwok Ping-luen, Raymond (Age: 70)

#### *Chairman*

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

Mr. Kwok is the chairman and managing director and a member of the executive committee of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). Prior to the appointment as chairman of SHKP, Mr. Kwok had acted as vice chairman of SHKP. He is also the chairman and a non-executive director of SmarTone Telecommunications Holdings Limited, and a non-executive director of Transport International Holdings Limited and Wing Tai Properties Limited.

In civic activities, Mr. Kwok is a director of The Real Estate Developers Association of Hong Kong.

Mr. Kwok is the father of Mr. Kwok Kai-wang, Christopher (being a Non-Executive Director of the Company).

For the financial year ended 30 June 2023, Mr. Kwok received a director's fee of HK\$60,000 for being the Chairman of the Company.

### Fung Yuk-lun, Allen (Age: 55)

#### *Vice Chairman*

Mr. Fung is a Vice Chairman of the Company. He was appointed as a Non-Executive Director of the Company in January 2014 and re-designated as an Executive Director of the Company on 2 April 2018. He is also the Authorised Representative of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Mr. Fung is a member of each of the Remuneration Committee and Corporate Governance Committee of the Board. He is also a director of certain subsidiaries of the Company. He obtained an undergraduate degree (Modern History) from Oxford University and holds a doctoral degree in History and East Asian Languages from Harvard University. From 1996 to 1997, Mr. Fung was a visiting Assistant Professor of History at Brown University. From 1997 to 2013, he worked in McKinsey & Company Hong Kong, where he became the managing partner and director.

Mr. Fung is an executive director and a member of the executive committee of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as well as the chief executive officer of the SHKP group's non-property related portfolio investments. He is also a director of certain subsidiaries of SHKP. Mr. Fung is a deputy chairman and an executive director of SmarTone Telecommunications Holdings Limited. He is also a non-executive director of Transport International Holdings Limited.

Mr. Fung is a member of the General Committee of The Hong Kong General Chamber of Commerce, the vice president of The Hong Kong Federation of Youth Groups, and has been elected a professor of practice of The Hong Kong Management Association. He is also a board member of the Hong Kong Tourism Board, the vice-chairman of the board of The Hong Kong Philharmonic Society Limited, and a member of the Museum Advisory Committee of the Leisure and Cultural Services Department of the Government of the Hong Kong Special Administrative Region.

For the financial year ended 30 June 2023, Mr. Fung received a director's fee of HK\$52,500 for being the Vice Chairman of the Company and a member of each of the Remuneration Committee and Corporate Governance Committee of the Board.

## Directors' Profile

### Tung Chi-ho, Eric (Age: 64)

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

Mr. Tung is the chairman of iAdvantage Limited, a subsidiary of the Company and a director of certain subsidiaries of the Company. He has been with the Sun Hung Kai Properties group for more than 35 years and has been an executive director of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), since December 2013. Mr. Tung is also a member of the executive committee of SHKP and a director of certain subsidiaries of SHKP. He served as project director for various large-scale residential, commercial and mixed developments and oversaw the completion of data centres for major tenants such as JP Morgan and ING Barings.

For the financial year ended 30 June 2023, Mr. Tung received a director's fee of HK\$45,000 for being a director of the Company.

### Chan Man-yuen, Martin (Age: 67)

Mr. Chan has been an Executive Director of the Company since 31 October 2019. He has been the Chief Operating Officer of the Company since 1 April 2015 and is also a director of certain subsidiaries of the Company. Mr. Chan obtained his Higher Diploma in Electronic Engineering from The Hong Kong Polytechnic University, and his Master of Arts (major in Information Technology Management) from Macquarie University, Australia.

Mr. Chan graduated from an engineering discipline and developed into a highly competitive and seasoned business executive with over 40 years' experience in the information and communications technology industry.

Mr. Chan joined the Company in 2012 and has been a key member in developing the Company and its subsidiaries (the "Group") into a leader of data centre service provider in Hong Kong, with top-notch facilities and best practice operation, meeting the demand of global internet companies.

Before joining the Group, Mr. Chan was the senior vice president of PCCW Limited and had served in the information technology division for 23 years, during which he had held various senior management positions in application development, operation management, outsourcing as well as data centre business.

Prior to this, Mr. Chan had worked in Paxus Financial Systems in Australia, where he served in the research and development division and was also the business development manager of Asia.

Mr. Chan was a Project Management Professional of Project Management Institute, USA (2001) and Certified Professional of IT (Project Director) of The Hong Kong Institute for IT Professional Certification (2007). Mr. Chan received fellowship from Hong Kong Computer Society in 2004 and was also its vice president (2001 – 2005).

Mr. Chan is a member of Hong Kong Information Technology Joint Council.

For the financial year ended 30 June 2023, Mr. Chan received a director's fee of HK\$45,000 and other emoluments (including basic salaries and allowances, bonuses and retirement benefit scheme contributions), mainly with reference to market pay level and his contributions, of approximately HK\$5,458,000 for being an Executive Director and the Chief Operating Officer of the Company.



### NON-EXECUTIVE DIRECTORS

#### Cheung Wing-yui (Age: 74)

##### *Vice Chairman*

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

Mr. Cheung is a deputy chairman and a non-executive director of SmarTone Telecommunications Holdings Limited. He is also a non-executive director of Tai Sang Land Development Limited and Transport International Holdings Limited. Mr. Cheung was a non-executive director of SRE Group Limited (November 1999 – December 2015) and Tianjin Development Holdings Limited (September 2004 – June 2023), an independent non-executive director of Ping An Insurance (Group) Company of China, Ltd. (May 2003 – June 2009), Hop Hing Group Holdings Limited (November 1989 – August 2017) and Agile Group Holdings Limited (October 2005 – February 2018). He is a non-executive director of Sun Hung Kai Properties Insurance Limited, which is a wholly-owned subsidiary of Sun Hung Kai Properties Limited, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Mr. Cheung is currently a member of Sponsorship & Development Fund Committee and a court member of Hong Kong Metropolitan University, and an honorary council member of The Hong Kong Institute of Directors Limited. He is also a director and an executive committee member of The Community Chest of Hong Kong. Mr. Cheung had held the positions of deputy chairman of the council and a co-deputy chairman of Sponsorship & Development Fund Committee of Hong Kong Metropolitan University, the deputy chairman of The Hong Kong Institute of Directors Limited, a director of Po Leung Kuk, the vice chairman of the Mainland Legal Affairs Committee of The Law Society of Hong Kong, a member of the Board of Review (Inland Revenue Ordinance) and the fourth vice president & Admissions, Budgets and Allocations Committee chairman of The Community Chest of Hong Kong.

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

Mr. Cheung was awarded an honorary degree of Doctor of Business Administration from Hong Kong Metropolitan University in 2016.

For the financial year ended 30 June 2023, Mr. Cheung received a director's fee of HK\$270,000 for being the Vice Chairman of the Company and a member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Board.

#### Kwok Kai-wang, Christopher (Age: 37)

Mr. Kwok has been a Non-Executive Director of the Company since 1 February 2017. He holds a Bachelor of Science Degree in Chemistry from Harvard University and a Master's degree in Business Administration from Stanford Graduate School of Business. Mr. Kwok is an executive director and a member of the executive committee of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He joined the SHKP group in 2011 and is primarily responsible for the leasing of residential, retail and commercial properties of the SHKP group in Hong Kong and on the mainland. Besides, he assumes the overall responsibilities for the property business of the SHKP group in Northern China. Mr. Kwok also assists Mr. Kwok Ping-luen, Raymond ("Mr. Raymond Kwok", the chairman and managing director of SHKP as well as the Chairman and an Executive Director of the Company) in all other non-property businesses of the SHKP group. He is also a non-executive director of Transport International Holdings Limited. Mr. Kwok is a son of Mr. Raymond Kwok.

In addition, Mr. Kwok is a member of the General Committee of the Employers' Federation of Hong Kong, and a governor of Our Hong Kong Foundation Limited and a member of its Development Committee. He is also a member of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference and a vice-chairman of Greater Bay Area Homeland Youth Community Foundation. Mr. Kwok was appointed as a Justice of the Peace in July 2023.

For the financial year ended 30 June 2023, Mr. Kwok received a director's fee of HK\$45,000 for being a director of the Company.

## Directors' Profile

### David Norman Prince (Age: 72)

Mr. Prince has been a Non-Executive Director of the Company since 29 October 2016. He is a member of the Chartered Institute of Management Accountants (UK) and the Chartered Institute of Purchasing and Supply (UK). Mr. Prince has been a non-executive director of SmarTone Telecommunications Holdings Limited since 2005. He is also a director of Wilson Group Limited, a wholly-owned subsidiary of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as well as a consultant of Sun Hung Kai Real Estate Agency Limited, a wholly-owned subsidiary of SHKP.

Mr. Prince has over 20 years' experience of operating at board level in an international environment. He is currently a non-executive director and a member of the audit committee of Adecco SA which is the global leader in human resources services. Mr. Prince was previously a non-executive director of Ark Therapeutics plc.

Mr. Prince was group finance director of Cable and Wireless plc. until December 2003 and prior to this, spent some 12 years working in the telecommunications industry in Hong Kong and Asia and on the mainland. From 1994 to 2000 he was finance director and latterly deputy chief executive officer of Hong Kong Telecommunications Limited until it was acquired by PCCW in 2000. Mr. Prince went on to join PCCW plc. as group chief financial officer. In 2002, he left PCCW to join Cable and Wireless as group finance director. Prior to his time in Hong Kong, he held senior management roles for Cable and Wireless. His early career was spent in the gas, oil and electronic industries within Europe and the USA.

For the financial year ended 30 June 2023, Mr. Prince received a director's fee of HK\$150,000 for being a director of the Company.

### Siu Hon-wah, Thomas (Age: 70)

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

Mr. Siu is a non-executive director of SmarTone Telecommunications Holdings Limited. He was the managing director of Wilson group (until June 2018), which is a major transport infrastructure services provider in Hong Kong and is wholly-owned by Sun Hung Kai Properties Limited, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), and is currently a senior consultant of Wilson group. Prior to joining Wilson group, Mr. Siu had more than 25 years of experience in telecommunications and IT sectors. His experience covers finance, business operations and development.

For the financial year ended 30 June 2023, Mr. Siu received a director's fee of HK\$45,000 for being a director of the Company.

### Chan Hong-ki, Robert (Age: 59)

Mr. Chan has been a Non-Executive Director of the Company since 7 August 2017. He graduated from The Hong Kong Polytechnic University and holds a Bachelor's Degree from the University of Greenwich.

Mr. Chan joined Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), in 1993 and has progressed through the ranks. He is an executive director and a member of the executive committee of SHKP. Mr. Chan is also a director of certain subsidiaries of SHKP. He is a project director for various key residential, commercial, industrial and mixed developments of the SHKP group both in Hong Kong and on the mainland. Mr. Chan is also responsible for design aspects including architectural, structural, electrical and mechanical, landscape and interior design of various development projects of the SHKP group.

Mr. Chan is a member of The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors and a Registered Professional Surveyor. He is also an Authorised Person under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong) and a director of BEAM Society Limited.

For the financial year ended 30 June 2023, Mr. Chan received a director's fee of HK\$45,000 for being a director of the Company.



## Directors' Profile

### Lau Yeuk-hung, Fiona (Age: 42)

Ms. Lau is a Non-Executive Director of the Company. She was appointed as an Executive Director of the Company in October 2019 and re-designated as a Non-Executive Director of the Company on 15 February 2023. Ms. Lau holds a Bachelor of Arts degree in Philosophy from The University of Chicago.

Ms. Lau is an executive director and the chief executive officer of SmarTone Telecommunications Holdings Limited ("SmarTone"). Prior to joining SmarTone in February 2023, she was the Chief Commercial Officer of the Company and had taken up various leadership roles in business development, corporate strategy, sales and marketing, product development and investor relations. Ms. Lau joined Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in June 2017. Prior to SHKP, Ms. Lau was a director at BlackRock Asset Management (North Asia), where she held various senior positions across the chairman's office, corporate strategy, and retail and private banking functions during 2010 to 2017. From 2005 to 2010 she worked in McKinsey & Company and held the position of engagement manager.

For the financial year ended 30 June 2023, Ms. Lau received a director's fee of HK\$45,000 and other emoluments (including basic salaries and allowances, bonuses and retirement benefit scheme contributions) of approximately HK\$4,055,000 for being a director and the Chief Commercial Officer up to 14 February 2023 of the Company.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### Li On-kwok, Victor (Age: 69)

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

Professor Li is Chair Professor of Information Engineering of the Department of Electrical and Electronic Engineering ("EEED") at The University of Hong Kong ("HKU"), and was the head (until 28 February 2018) and Cheng Yu-Tung Professor in Sustainable Development (until 30 June 2023) of the EEED at HKU. Prior to joining HKU, he was Professor of Electrical Engineering at the University of Southern California ("USC") and director of the USC Communication Sciences Institute. Professor Li had chaired various committees of international professional organisations such as the Technical Committee on Computer Communications of the Institute of Electrical and Electronic Engineers. He was awarded the Bronze Bauhinia Star by the Government of Hong Kong in 2002.

For the financial year ended 30 June 2023, Professor Li received a director's fee of HK\$240,000 for being a director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

### King Yeo-chi, Ambrose (Age: 89)

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

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

## Directors' Profile

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

For the financial year ended 30 June 2023, Professor King received a director's fee of HK\$240,000 for being a director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

### Wong Kai-man (Age: 73)

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

Mr. Wong is an independent non-executive director of VTech Holdings Limited. He has served in a number of government committees and the boards of certain non-governmental organisations. Mr. Wong was a non-executive director of the Securities and Futures Commission (May 2009 – May 2015) and an independent non-executive director of Great Wall Pan Asia Holdings Limited (formerly known as Armada Holdings Limited and SCMP Group Limited) (April 2007 – November 2016). He is currently a director of Victor and William Fung Foundation Limited and Li & Fung Foundation Limited. He was an honorary associate professor of the School of Business of The University of Hong Kong (2005 – January 2018) and a member of the Growth Enterprise Market Listing Committee of The Stock Exchange of Hong Kong Limited (1999 – 2003) and Accounting and Financial Reporting Council (formerly known as Financial Reporting Council (FRC)) (December 2014 – September 2021). Mr. Wong was an audit partner of PricewaterhouseCoopers, Hong Kong before his retirement on 30 June 2005.

Mr. Wong was appointed as a Justice of the Peace in 2002, and was awarded Bronze Bauhinia Star in 2007 by the Government of Hong Kong. He was conferred honorary fellowships of Lingnan University, Hong Kong in 2007, City University of Hong Kong in 2013 and The University of Hong Kong in 2016 respectively.

For the financial year ended 30 June 2023, Mr. Wong received a director's fee of HK\$240,000 for being a director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

### Lee Wai-kwong, Sunny (Age: 64)

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

Mr. Lee is the Vice-President (Administration) of City University of Hong Kong. He is an independent non-executive director, a member of the nominations committee and the chairman of the technology advisory panel of MTR Corporation Limited. Mr. Lee is also an independent non-executive director, a member of each of audit committee, nomination and remuneration committee, risk committee, strategy and budget committee as well as sustainability committee of BOC Hong Kong (Holdings) Limited and its principal operating subsidiary, Bank of China (Hong Kong) Limited. He has more than 30 years of experience in business and technology management gained in both Hong Kong and overseas. Mr. Lee was the executive director of information technology (“IT”) of The Hong Kong Jockey Club (“HKJC”), where he served as a member of board of management and had overall responsibility for HKJC's IT strategy and innovation.

Prior to joining HKJC, Mr. Lee served at The Hong Kong and China Gas Company Limited (Towngas) where he was an executive committee member and held a number of key positions thereat, including chief information officer of the group and chief executive officer of two strategic diversification businesses, iCare.com Limited and Towngas Telecommunications Company Limited.

## Directors' Profile

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

Mr. Lee takes time to serve in many high level governing and advisory committees in the academic, professional and community arena. He is the board chairman of Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) and a council member of Hong Kong Management Association. Mr. Lee is also a past president of Hong Kong Computer Society, a past chairman of the Hong Kong Institute of IT Professional Certification, a past council member of Vocational Training Council, a past audit committee member of Hong Kong Housing Society and a past board chairman of Hong Kong Education City.

Mr. Lee was a recipient of Hong Kong's Ten Outstanding Young Digi Persons Award in 1999, Asia CIO Award in 2002 and 2007, China Top CIO Award in 2007, 2009 Asian IT Influencer recognition, 2009 China Best Value CIO Award, and 2011 Hong Kong CIO Outstanding Achievement Award. He was appointed a Justice of the Peace in 2010 and was awarded the Bronze Bauhinia Star (BBS) in 2022. Mr. Lee was a torchbearer of the 2008 Beijing Olympics, representing Hong Kong's IT achievers.

For the financial year ended 30 June 2023, Mr. Lee received a director's fee of HK\$150,000 for being a director of the Company.

### Cheng Ka-lai, Lily (Age: 45)

Ms. Cheng has been an Independent Non-Executive Director of the Company since 31 October 2019. She is also a member of the Corporate Governance Committee of the Board. Ms. Cheng has served in the technology and internet industry for over 20 years both as an entrepreneur and as a corporate executive. Ms. Cheng previously served as the president, Asia Pacific at TripAdvisor, Inc. until 2016 and held a number of executive roles at Expedia and TripAdvisor across London, Singapore, Beijing and Hong Kong between 2008 to 2016. Prior to Expedia, she worked for the Boston Consulting Group in Greater China from 2006 to 2008. Currently, she is the founder and executive director of Hubel Labs Limited, a virtual R&D software lab focusing on AI-related applications.

Ms. Cheng is an independent non-executive director of Swire Properties Limited, Chow Tai Fook Jewellery Group Limited and Octopus Cards Limited. She is an external member of the Global Council and the risk management and audit committee at Herbert Smith Freehills LLP as well as a board member and advisor to HotelBeds Group. She also served as an advisor to the Office of the President and the global leadership team at Mars, Inc. between 2019 and 2022.

Ms. Cheng holds a Bachelor of Arts degree in Engineering and a Master of Engineering degree from The University of Cambridge, and a Graduate Certificate in Artificial Intelligence from the Stanford Center for Professional Development.

For the financial year ended 30 June 2023, Ms. Cheng received a director's fee of HK\$175,000 for being a director of the Company and a member of the Corporate Governance Committee of the Board.

### Leong Kwok-kuen, Lincoln (Age: 63)

Mr. Leong has been an Independent Non-Executive Director of the Company since 18 January 2021. He is a chartered accountant and has extensive experience in the accountancy and investment banking industries. Mr. Leong is an independent non-executive director and a member of the audit and risk management committee of Link Asset Management Limited (manager of Link Real Estate Investment Trust) until his resignation on 29 February 2024. He is an independent non-executive director and the chairman of the audit committee of Standard Chartered Bank (Hong Kong) Limited and China Resources Land Limited. Mr. Leong is also a non-executive director and the chairman of the audit committee of Hongkong Land Holdings Limited. He was previously an executive director and the chief executive officer of MTR Corporation Limited and a non-executive director of Jardine Strategic Holdings Limited and Mandarin Oriental International Limited.

Mr. Leong is a board member, an executive committee member and a vice-patron of The Community Chest of Hong Kong and an executive committee member of The Hong Kong Housing Society ("HKHS"). He was the chairman of the Quality Assurance Council of the University Grants Committee and a member of the Supervisory Board of HKHS.

Mr. Leong qualified as a chartered accountant in England in 1985 and in British Columbia, Canada in 1987. He is a chartered fellow of The Chartered Institute of Logistics and Transport in Hong Kong and holds a Bachelor of Arts degree (subsequently a Master of Arts degree) from the University of Cambridge in the United Kingdom.

For the financial year ended 30 June 2023, Mr. Leong received a director's fee of HK\$150,000 for being a director of the Company.



## Directors' Profile

Save as disclosed above, all the Directors of the Company (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) do not hold any other position in the Company and its subsidiaries; and (iii) do not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of the Company.

Each of the Executive Directors of the Company has entered into a service agreement with the Company. Each agreement is for a period of three years commencing on the date of appointment of the respective Director and shall continue thereafter until terminated by either party giving written notice to the other (save the ones for Mr. Kwok Ping-luen, Raymond and Mr. Tung Chi-ho, Eric where each of which commenced on 1 March 2003 for a period of three years and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice). There are no service contracts entered into between the Company and the Non-Executive Directors (including the Independent Non-Executive Directors) of the Company. Each of them received an appointment letter from the Company for their respective appointments. All the Directors of the Company are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the amended and restated articles of association of the Company.

The directors' fees are fixed by the Board while their annual salaries, if any, are determined by the Board from time to time with reference to their contributions in terms of time, effort and their expertise and are reviewed on an annual basis, and the sum of discretionary bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the respective Directors.

## SENIOR MANAGEMENT

The Executive Directors of the Company are also members of senior management of the Group.

# Report on Review of Condensed Consolidated Financial Statements

# Deloitte.

# 德勤

**TO THE BOARD OF DIRECTORS OF SUNEVISION HOLDINGS LTD.**

新意網集團有限公司

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of SUNeVision Holdings Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 19 to 35, which comprise the consolidated statement of financial position as of 31 December 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

27 February 2024

# Consolidated Statement of Profit or Loss

For the six months ended 31 December 2023

	NOTES	Six months ended 31 December	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	<b>1,289,640</b>	1,108,123
Cost of sales		<b>(607,103)</b>	(477,504)
Gross profit		<b>682,537</b>	630,619
Other income	4	<b>11,676</b>	5,044
Selling expenses		<b>(18,904)</b>	(15,747)
Administrative expenses		<b>(53,311)</b>	(61,760)
Profit from operations		<b>621,998</b>	558,156
Finance costs		<b>(104,106)</b>	(38,160)
Profit before taxation		<b>517,892</b>	519,996
Income tax expense	5	<b>(82,452)</b>	(86,872)
Profit for the period attributable to owners of the Company	6	<b>435,440</b>	433,124
Earnings per share based on profit attributable to owners of the Company (reported earnings per share)	8		
Basic (Remark (i))		<b>10.73 cents</b>	10.67 cents
Diluted (Remark (i))		<b>10.73 cents</b>	10.67 cents

## Remarks:

- (i) Upon completion of the bonus issue of shares (with a convertible note ("Convertible Note(s)", which were constituted by the deed poll dated 25 November 2010) alternative) on 25 November 2010, the Company had 2,342,675,478 ordinary shares in issue and outstanding Convertible Notes which could be converted into 1,720,292,188 fully paid ordinary shares, representing a total of 4,062,967,666 ordinary shares which form the basis for the calculation of basic and diluted earnings per share. Adjustments are made in respect of shares repurchased and share options exercised.
- (ii) Details of earnings per share calculation and the Company's share capital are set out in notes 8 and 18 respectively.



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2023

	Six months ended 31 December	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit for the period	435,440	433,124
Other comprehensive income for the period		
Item that may be reclassified subsequently to the consolidated statement of profit or loss:		
Exchange differences arising from translation of operations outside Hong Kong	–	29
	–	29
Total comprehensive income for the period	435,440	433,153
Total comprehensive income (expense) attributable to:		
Owners of the Company	435,440	433,626
Non-controlling interests	–	(473)
	435,440	433,153

# Consolidated Statement of Financial Position

At 31 December 2023

	NOTES	31 December 2023 HK\$'000 (unaudited)	30 June 2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Investment property	9	58,000	58,000
Property, plant and equipment	10	21,268,687	19,845,823
Equity instrument at fair value through other comprehensive income ("FVTOCI")	11	3,710	3,710
		<b>21,330,397</b>	19,907,533
<b>Current assets</b>			
Inventories		5,325	9,569
Trade and other receivables	12	523,201	593,686
Contract assets	13	39,712	29,545
Cash and cash equivalents		353,566	237,279
		<b>921,804</b>	870,079
<b>Current liabilities</b>			
Trade and other payables	14	1,756,923	1,734,761
Contract liabilities	15	98,151	113,857
Lease liabilities		17,867	16,518
Tax payables		59,305	183,864
Bank borrowings	16	2,992,500	–
		<b>4,924,746</b>	2,049,000
Net current liabilities		<b>(4,002,942)</b>	(1,178,921)
Total assets less current liabilities		<b>17,327,455</b>	18,728,612
<b>Non-current liabilities</b>			
Contract liabilities	15	3,555	4,521
Lease liabilities		196,199	202,140
Deferred tax liabilities		349,893	330,630
Bank borrowings	16	8,338,016	9,735,500
Shareholder's loan	17	3,800,000	3,800,000
		<b>12,687,663</b>	14,072,791
Net assets		<b>4,639,792</b>	4,655,821
<b>Capital and reserves</b>			
Share capital	18	233,906	233,906
Reserve arising from issuance of convertible notes	18	172,002	172,002
Other reserves	18	4,231,856	4,247,885
Equity attributable to owners of the Company		<b>4,637,764</b>	4,653,793
Non-controlling interests		2,028	2,028
Total equity		<b>4,639,792</b>	4,655,821

# Consolidated Statement of Changes in Equity

For the six months ended 31 December 2023

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note)	Share option reserve HK\$'000	Exchange reserve HK\$'000	Property valuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2023 (audited)	233,906	2,377,540	172,002	68,700	-	48,639	1,753,006	4,653,793	2,028	4,655,821
Profit and total comprehensive income for the period	-	-	-	-	-	-	435,440	435,440	-	435,440
Recognition of equity-settled share-based payments	-	-	-	3,147	-	-	-	3,147	-	3,147
Lapse of share options	-	-	-	(6,894)	-	-	6,894	-	-	-
Final dividend and distribution paid (note 7)	-	-	-	-	-	-	(454,616)	(454,616)	-	(454,616)
At 31 December 2023 (unaudited)	233,906	2,377,540	172,002	64,953	-	48,639	1,740,724	4,637,764	2,028	4,639,792

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note)	Share option reserve HK\$'000	Exchange reserve HK\$'000	Property valuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2022 (audited)	233,906	2,377,540	172,002	58,096	2,288	48,639	1,684,299	4,576,770	14,766	4,591,536
Profit for the period	-	-	-	-	-	-	433,124	433,124	-	433,124
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	502	-	-	502	(473)	29
Total comprehensive income (expense) for the period	-	-	-	-	502	-	433,124	433,626	(473)	433,153
Recognition of equity-settled share-based payments	-	-	-	7,757	-	-	-	7,757	-	7,757
Final dividend and distribution paid (note 7)	-	-	-	-	-	-	(844,287)	(844,287)	-	(844,287)
At 31 December 2022 (unaudited)	233,906	2,377,540	172,002	65,853	2,790	48,639	1,273,136	4,173,866	14,293	4,188,159

## 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 the 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. This reserve balance represented the aggregate amount of the Convertible Notes outstanding at the period end. No Convertible Notes were exercised and converted into ordinary shares by noteholders during the six months ended 31 December 2023 and 2022. As a result, the Convertible Notes in the amount of HK\$172,001,633.30 remained outstanding as at 31 December 2023 and 2022.

The Convertible 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 Convertible Notes. The Convertible Notes do not carry voting rights at any general meeting of shareholders of the Company. The noteholders have the same right as the shareholders to receive dividend. The noteholders can exercise the conversion rights at any time after the issue of the Convertible Notes, subject to the terms and conditions of the deed poll constituting the Convertible Notes. The Convertible Notes were recognised as equity and are presented in reserves as "reserve arising from issuance of convertible notes".



# Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2023

	Six months ended 31 December	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	435,440	433,124
Adjustments for:		
Income tax expense	82,452	86,872
Depreciation of property, plant and equipment	284,038	249,429
Finance costs	104,106	38,160
Others	(3,287)	5,426
Operating cash inflows before movements in working capital	902,749	813,011
Changes in working capital	226,411	(10,010)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,129,160</b>	803,001
Hong Kong profits tax paid	(187,748)	(150,514)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>941,412</b>	652,487
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,561,143)	(885,324)
Interest received	6,473	2,056
Proceeds from disposal of property, plant and equipment	7	–
Investment income received	–	142
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,554,663)</b>	(883,126)
<b>FINANCING ACTIVITIES</b>		
New bank loans raised	1,590,000	1,150,000
Dividends and distribution paid	(454,616)	(844,287)
Interest paid	(366,423)	(125,709)
Others	(39,423)	(5,761)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>729,538</b>	174,243
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>116,287</b>	(56,396)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>237,279</b>	309,669
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD,</b> represented by bank balances and deposits	<b>353,566</b>	253,273

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$4,002,942,000 as at 31 December 2023. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations, including but not limited to i) internal resources available; ii) unutilised facilities from financial institutions; and iii) refinancing of existing bank borrowings to long-term borrowings. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain property and financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of the Hong Kong Financial Reporting Standards (“HKFRSs”) and the amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2023.

### Application of HKFRSs and amendments to HKFRSs

In the current interim period, the Group has applied the following HKFRSs and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the HKFRSs and amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 3. SEGMENT INFORMATION

#### Disaggregation of revenue

For the six months ended 31 December 2023

Segments	Data centre and IT facilities <i>HK\$'000</i>	ELV and IT systems <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Types of services recognised over time</b>			
Income from data centre and information technology ("IT") facilities colocation services and interconnection services	1,184,991	–	1,184,991
Installation and maintenance fee of extra-low voltage ("ELV") and IT systems	–	104,649	104,649
Revenue from contract with customers	1,184,991	104,649	1,289,640

For the six months ended 31 December 2022

Segments	Data centre and IT facilities <i>HK\$'000</i>	ELV and IT systems <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Types of services recognised over time</b>			
Income from data centre and IT facilities colocation services and interconnection services	1,018,747	–	1,018,747
Installation and maintenance fee of ELV and IT systems	–	89,376	89,376
Revenue from contract with customers	1,018,747	89,376	1,108,123

#### Segment revenue and results

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

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

- (a) Data centre and IT facilities cover the provision of 1) data centre and IT facilities colocation services to allow customers to house their IT infrastructure or equipment, 2) interconnection services to provide customers with high-speed and reliable interconnectivity, and 3) other managed services.
- (b) ELV and IT systems comprise installation and maintenance services for the respective systems.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 3. SEGMENT INFORMATION (continued)

#### Segment revenue and results (continued)

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

#### For the six months ended 31 December 2023

	Data centre and IT facilities HK\$'000	ELV and IT systems HK\$'000	Elimination HK\$'000	Consolidated total HK\$'000
<b>REVENUE</b>				
External	1,184,991	104,649	–	1,289,640
Inter-segment	–	95	(95)	–
<b>Total</b>	<b>1,184,991</b>	<b>104,744</b>	<b>(95)</b>	<b>1,289,640</b>
<b>RESULTS</b>				
Segment results	622,921	19,358	–	642,279
Unallocated corporate expenses				(27,628)
Interest income				6,564
Rental income				783
Finance costs				(104,106)
<b>Profit before taxation</b>				<b>517,892</b>

#### For the six months ended 31 December 2022

	Data centre and IT facilities HK\$'000	ELV and IT systems HK\$'000	Elimination HK\$'000	Consolidated total HK\$'000
<b>REVENUE</b>				
External	1,018,747	89,376	–	1,108,123
Inter-segment	–	95	(95)	–
<b>Total</b>	<b>1,018,747</b>	<b>89,471</b>	<b>(95)</b>	<b>1,108,123</b>
<b>RESULTS</b>				
Segment results	567,384	18,912	–	586,296
Unallocated corporate expenses				(31,249)
Interest income				2,188
Investment income				142
Rental income				779
Finance costs				(38,160)
<b>Profit before taxation</b>				<b>519,996</b>

Inter-segment sales are charged at prevailing market rates.

The Group does not report regularly segment assets and liabilities to the chief operating decision maker and therefore no analysis of segment assets and liabilities is presented.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 4. OTHER INCOME

	Six months ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Interest income	6,564	2,188
Investment income	–	142
Rental income	2,469	779
Miscellaneous	2,643	1,935
	<b>11,676</b>	5,044

### 5. INCOME TAX EXPENSE

	Six months ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Current tax		
– Hong Kong Profits Tax	63,189	92,208
Deferred tax charge (credit)	19,263	(5,336)
	<b>82,452</b>	86,872

Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) on the estimated assessable profits for the period.

### 6. PROFIT FOR THE PERIOD

	Six months ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Profit for the period has been arrived at after charging (crediting):		
Staff costs	134,440	118,848
Share-based payments	3,147	7,757
Retirement benefit scheme contributions	3,869	3,777
Total staff costs including directors' emoluments	<b>141,456</b>	130,382
Depreciation of property, plant and equipment	293,100	249,429
Less: amounts capitalised	(9,062)	–
	<b>284,038</b>	249,429
Loss on disposal of property, plant and equipment	46	–

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 6. PROFIT FOR THE PERIOD (continued)

	Six months ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Interest on bank borrowings	297,586	123,246
Interest on shareholder's loan	57,468	57,468
Other finance costs	13,735	15,106
Interest on lease liabilities	3,249	173
Less: amounts capitalised	(267,932)	(157,833)
<b>Total finance costs</b>	<b>104,106</b>	<b>38,160</b>

### 7. DIVIDENDS

During the period, a final dividend of HK11.20 cents per share in respect of the year ended 30 June 2023 (31 December 2022: a final dividend of HK20.80 cents per share in respect of the year ended 30 June 2022) was declared and paid to the owners and convertible noteholders of the Company. The aggregate amount of the final dividend declared and paid in the period amounted to HK\$454,616,000 (31 December 2022: HK\$844,287,000).

The board of directors does not recommend the payment of an interim dividend for the six months ended 31 December 2023 (31 December 2022: nil).

### 8. EARNINGS PER SHARE

#### Reported 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:

	Six months ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	435,440	433,124

  

	2023	2022
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	4,059,073,666	4,059,073,666

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 18.

The computation of diluted earnings per share does not assume the exercise of all Company's share options because the exercise price of those share options was higher than the average market price for shares for the six months ended 31 December 2023 and 2022. Save as the share options mentioned above, there were no other dilutive potential ordinary shares in existence during the six months ended 31 December 2023 and 2022.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

## 9. INVESTMENT PROPERTY

	<i>HK\$'000</i>
At 30 June and <b>31 December 2023</b>	<b>58,000</b>

The fair value of the Group's investment property, which is located in Hong Kong, at 31 December 2023 has been determined with reference to a valuation on market value basis carried out by Knight Frank Petty Limited, independent qualified professional surveyors not connected with the Group. In estimating the fair value of the investment property, the highest and best use of the property is its current use. The valuation was valued using the income capitalisation method by capitalising the net income from the existing tenancy and reversionary income potential at appropriate capitalisation rates. The capitalisation rate adopted is 3% which is derived by making reference to the yields achieved from analysis of comparable property investment transactions and valuer's view of prevailing investor expectations regarding rental growth and perceived risks. A lower capitalisation rate would imply a higher property value, and vice versa.

All of the fair value measurements of the Group's investment property was categorised into Level 3 of the fair value hierarchy. Level 3 fair value measurements are those derived from valuation techniques in which unobservable inputs are used. There were no transfers into or out of Level 3 during the year.

All of the Group's property interests that are held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment including right-of-use assets amounted to approximately HK\$1,716,018,000 (31 December 2022: HK\$1,225,215,000).

During the period, the Group entered into new lease agreements for office usage (31 December 2022: office usage) for 3 years (31 December 2022: 3 years). The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised HK\$4,832,000 (2022: HK\$3,350,000) of right-of-use asset and HK\$4,832,000 (2022: HK\$3,350,000) of lease liability.

## 11. EQUITY INSTRUMENT AT FVTOCI

	<b>31 December 2023 <i>HK\$'000</i></b>	30 June 2023 <i>HK\$'000</i>
Equity instrument at FVTOCI:		
Unlisted equity instrument	<b>3,710</b>	3,710
	<b>31 December 2023 <i>HK\$'000</i></b>	30 June 2023 <i>HK\$'000</i>
Carrying amount analysed for reporting purposes as:		
Non-current asset	<b>3,710</b>	3,710

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 12. TRADE AND OTHER RECEIVABLES

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
Trade receivables	<b>245,844</b>	292,475
Less: allowance for credit losses	<b>(682)</b>	(598)
	<b>245,162</b>	291,877
Unbilled revenue for use of data centre and IT facilities (Note)	<b>117,995</b>	111,578
Other receivables	<b>62,181</b>	69,346
Prepayments	<b>73,547</b>	98,657
Deposits paid	<b>24,316</b>	22,228
	<b>523,201</b>	593,686

Note: Unbilled revenue represents services provided but not yet billable according to the terms of the contract with customers. The amounts are unconditional and will be billed according to the billing arrangement as set out in the contract with customer.

The Group allows an average credit period of 30 days to its trade customers. The following is an ageing analysis of trade receivables based on the invoice date, net of allowance for credit losses at the end of the reporting period:

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
0 – 60 days	<b>213,807</b>	265,705
61 – 90 days	<b>10,836</b>	7,696
> 90 days	<b>20,519</b>	18,476
	<b>245,162</b>	291,877

As at 31 December 2023, out of the past due balances, HK\$20,519,000 (30 June 2023: HK\$18,476,000) has been past due 90 days or more and is not considered as in default because those debtors are with continuous settlements during and subsequent to the reporting period and no material default history noted.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 13. CONTRACT ASSETS

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
Unbilled revenue for installation services	<b>26,951</b>	17,437
Retention receivables of installation services	<b>12,761</b>	12,108
<b>Total contract assets</b>	<b>39,712</b>	29,545

### 14. TRADE AND OTHER PAYABLES

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
Trade payables aged within 60 days	<b>31,641</b>	31,837
Trade payables aged over 60 days	<b>981</b>	2,503
Other payables and accruals (Note)	<b>1,566,727</b>	1,542,505
Deposits received	<b>157,574</b>	157,916
<b>Total</b>	<b>1,756,923</b>	1,734,761

Note: Other payables and accruals include payables for property, plant and equipment of HK\$1,139,494,000 (30 June 2023: HK\$1,266,446,000).

### 15. CONTRACT LIABILITIES

The carrying amounts of contract liabilities are as follows:

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
Current liabilities (release to the consolidated statement of profit or loss within one year)	<b>98,151</b>	113,857
Non-current liabilities	<b>3,555</b>	4,521
<b>Total</b>	<b>101,706</b>	118,378

During the six months ended 31 December 2023, revenue recognised in the current period relating to contract liabilities at the beginning of the period was HK\$32,225,000 (31 December 2022: HK\$48,091,000). The Group receives upfront lump sum payments from certain customers before the commencement of use of data centre and IT facilities and monthly fee in advances from certain customers at the beginning of each month. The upfront lump sum and advance payment result in contract liabilities being recognised.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

## 16. BANK BORROWINGS

During the period, the Group obtained a new long term banking facility of HK\$1,600,000,000 (31 December 2022: nil) and raised HK\$1,590,000,000 (31 December 2022: HK\$1,150,000,000) from its existing unutilised banking facilities to fund various new and existing data centre projects. As at 31 December 2023, the Group has available unutilised banking facility of HK\$1,200,000,000 (30 June 2023: HK\$1,190,000,000).

At 31 December 2023, the carrying amount of the Group's unsecured bank loans amounted to approximately HK\$11,330,516,000 (30 June 2023: HK\$9,735,500,000). All loans carry interest at the Hong Kong Interbank Offered Rate plus specific margins.

The carrying amounts of the unsecured bank loans are repayable:

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
Within one year	<b>2,992,500</b>	–
Within a period of more than one year but less than two years	–	2,988,750
Within a period of more than two years but less than five years	<b>8,338,016</b>	6,746,750
Total	<b>11,330,516</b>	9,735,500

## 17. SHAREHOLDER'S LOAN

On 28 December 2018, the Group and Sun Hung Kai Properties Limited and its subsidiaries, other than members of the Group ("SHKP Group") entered into a loan agreement pursuant to which the SHKP Group had agreed to make available unsecured term loan facility in an aggregate amount of HK\$3,800,000,000 to the Group for a term of 72 months from the first date of draw down at a fixed interest rate of 4% per annum. The fixed interest rate of 4% per annum was then amended to 3% per annum effective from 1 August 2020. At the end of the reporting period, HK\$3,800,000,000 (30 June 2023: HK\$3,800,000,000) was drawn down from such facility which was used to fund various existing data centre projects and for working capital requirements. The shareholder's loan is payable on January 2025.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

## 18. SHARE CAPITAL AND OTHER RESERVES

	Number of ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2022, 31 December 2022, 1 July 2023 and <b>31 December 2023</b>	<b>10,000,000,000</b>	<b>1,000,000</b>
Issued and fully paid:		
At 1 July 2023 and <b>31 December 2023</b>	<b>2,339,057,333</b>	<b>233,906</b>

Notes:

- (i) 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 of the Company 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 of the Company 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 six months ended 31 December 2023 and 2022, no Convertible Notes were exercised and converted into ordinary shares of the Company.

	Number of fully paid ordinary shares to be issued (issued) upon conversion	Amount HK\$'000
At 1 July 2023 and <b>31 December 2023</b>	<b>1,720,016,333</b>	<b>172,002</b>

Upon conversion of all the outstanding Convertible Notes, the issued share capital of the Company would be 4,059,073,666 (30 June 2023: 4,059,073,666) 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.

- (ii) During the six months ended 31 December 2023 and 2022, no shares were issued upon exercise of share options.
- (iii) Other reserves represented share premium, share option reserve, exchange reserve, property valuation reserve and retained profits. A dividend declared and paid of HK\$454,616,000 (31 December 2022: HK\$844,287,000) has been debited in the retained profits during the period.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 19. RELATED PARTY TRANSACTIONS

The significant transactions with related parties during the period are as follows:

#### (a) Transactions with the SHKP Group

	Six months ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Income from installation, operation and provision of cable networking	71,107	55,774
Income from maintenance and repair of network infrastructure and security systems	30,486	28,599
Income from data centre and IT facilities	2,258	2,073
Expense relating to short-term leases and licence and management fee charge	–	555
Property management service fees paid	3,280	3,703
Cable networking installation charges	8,188	1,448
Maintenance and repair charges of network infrastructure and security system	1,903	1,819
Maintenance of data centre security system	1,448	1,114
Management fee charges	1,000	1,000
Insurance service charges paid	3,274	2,274
Construction work charges	416,911	676,925
Interest on shareholder's loan	57,468	57,468
Interest on lease liabilities	79	57

#### (b) Transaction with a joint venture of the SHKP Group

	Six months ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Interest on lease liabilities	3,128	–

#### (c) Transaction with a director

During the period, professional fees of HK\$228,000 (31 December 2022: HK\$540,000) 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.

#### (d) Compensation of key management

Fees, salaries and other benefits paid/payable by the Group to the key management during the period amounted to HK\$2,596,000 (31 December 2022: HK\$13,199,000).



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2023

### 20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Certain Group's financial instruments are measured at fair value at the end of each reporting period. The level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
Unlisted equity instrument (Level 3)	<b>3,710</b>	3,710

Fair value of the unlisted equity instrument has been determined by dividend discount model that is not based on observable market data.

The carrying amounts of financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate to their fair values.

There was no transfer of financial assets and financial liabilities between fair value hierarchy classifications during the six months ended 31 December 2023 and 2022.

### 21. CAPITAL COMMITMENTS

	<b>31 December 2023 HK\$'000</b>	30 June 2023 HK\$'000
Capital expenditure in respect of development of construction in progress contracted for but not provided in the consolidated financial statements	<b>1,232,487</b>	1,484,900

# Other Information

## DIVIDEND

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the six months ended 31 December 2023 (2022: Nil).

## DIRECTORS' INTERESTS

As at 31 December 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and 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 the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as adopted by the Company, 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				Sub-total	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2023
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of corporation)	Other interests				
Kwok Ping-luen, Raymond	-	-	-	3,485,000 <sup>1</sup>	3,485,000	-	3,485,000	0.15
Fung Yuk-lun, Allen	4,000,000	-	-	-	4,000,000	8,000,000 <sup>2</sup>	12,000,000	0.51
Chan Man-yuen, Martin	12,000	-	-	-	12,000	5,790,000 <sup>2</sup>	5,802,000	0.25
Kwok Kai-wang, Christopher	-	-	-	13,272,658 <sup>1&amp;3</sup>	13,272,658	-	13,272,658	0.57
Lau Yeuk-hung, Fiona	-	-	-	-	-	4,700,000 <sup>2</sup>	4,700,000	0.20
King Yeo-chi, Ambrose	1,000	-	-	-	1,000	-	1,000	0.00
Leong Kwok-kuen, Lincoln	-	-	142 <sup>4</sup>	-	142	-	142	0.00

Notes:

- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 3,485,000 shares in the Company by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.
- 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 schemes. Particulars of these share options and their movements during the six months ended 31 December 2023 are set out in the section headed "Share Option Schemes".
- Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 9,787,658 shares in the Company by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.
- These shares in the Company were held by a corporation wholly-owned and controlled by Mr. Leong Kwok-kuen, Lincoln.

## Other Information

### 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				Sub-total	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2023
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of corporation)	Other interests				
Kwok Ping-luen, Raymond	188,743	1,580,000 <sup>1</sup>	–	562,111,186 <sup>2</sup>	563,879,929	–	563,879,929	19.46
Kwok Kai-wang, Christopher	110,000 <sup>3</sup>	60,000 <sup>1</sup>	–	689,064,601 <sup>2&amp;4</sup>	689,234,601	–	689,234,601	23.78
David Norman Prince	2,000	–	–	–	2,000	–	2,000	0.00
Siu Hon-wah, Thomas	–	–	–	7,000 <sup>5</sup>	7,000	–	7,000	0.00
Chan Hong-ki, Robert	100,000	–	–	–	100,000	–	100,000	0.00
Leong Kwok-kuen, Lincoln	244,154	6,000 <sup>1</sup>	255,111 <sup>6</sup>	1,124,118 <sup>7</sup>	1,629,383	–	1,629,383	0.06

Notes:

- These shares in SHKP were held by the spouse of the Director concerned.
- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 562,111,186 shares in SHKP by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.
- These shares in SHKP were held jointly with the spouse of Mr. Kwok Kai-wang, Christopher.
- Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 126,953,415 shares in SHKP by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.
- These shares in SHKP were held jointly with the spouse of Mr. Siu Hon-wah, Thomas.
- Among these shares in SHKP, 203,111 shares were held by a corporation wholly-owned and controlled by Mr. Leong Kwok-kuen, Lincoln ("Mr. Leong") and 52,000 shares were held by corporations in which Mr. Leong was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of such corporations.
- Mr. Leong is one of the executors of an estate, which consists of 1,124,118 shares in SHKP.

## Other Information

### (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 31.12.2023
	Personal interests (held as beneficial owner)	Other interests	Sub-total			
Kwok Ping-luen, Raymond	–	5,162,337 <sup>1</sup>	5,162,337	–	5,162,337	0.47
Fung Yuk-lun, Allen	437,359	–	437,359	–	437,359	0.04
Kwok Kai-wang, Christopher	–	12,011,498 <sup>1&amp;2</sup>	12,011,498	–	12,011,498	1.09
Lau Yeuk-hung, Fiona	–	–	–	4,000,000 <sup>3</sup>	4,000,000	0.36

Notes:

- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 5,162,337 shares in SmarTone by virtue of them being beneficiaries of a discretionary trust for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.
- Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 6,849,161 shares in SmarTone by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.
- These underlying shares of SmarTone held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by SmarTone under its share option scheme. Particulars of these share options and their movements during the six months ended 31 December 2023 were as follows:

Name of Director	Date of grant	Exercise price per share	Exercise period	Number of share options				Balance as at 31.12.2023
				Balance as at 01.07.2023	Granted during the period	Exercised during the period	Cancelled/Lapsed during the period	
		HK\$						
Lau Yeuk-hung, Fiona	21.04.2023	4.964	21.04.2024 to 20.04.2028	4,000,000	–	–	–	4,000,000

No share options of SmarTone can be exercised within one year from the date of grant. The share options of SmarTone 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.



## Other Information

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

<b>Name of associated corporation</b>	<b>Actual shares held through corporation</b>	<b>Actual% of interests in issued shares as at 31.12.2023</b>
Hung Carom Company Limited	25 <sup>1</sup>	25.00
Tinyau Company Limited	1 <sup>1</sup>	50.00
Open Step Limited	8 <sup>1</sup>	80.00
Vivid Synergy Limited	963,536,900 <sup>1</sup>	20.00

Note:

1. Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in these shares by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.

Save as disclosed above, as at 31 December 2023, 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 and its 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 the Model Code.

## SHARE OPTION SCHEMES

By an ordinary resolution of the Company passed at its annual general meeting held on 1 November 2012, the Company adopted a share option scheme, which 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 15 November 2012 (the "2012 Scheme").

Due to the expiry of the 2012 Scheme on 15 November 2022, an ordinary resolution was passed by the shareholders of the Company at the annual general meeting held on 28 October 2022 for approving the adoption of a new share option scheme (the "2022 Scheme") and the termination of the 2012 Scheme. The adoption of the 2022 Scheme and the termination of the 2012 Scheme became effective on 1 November 2022 following the grant of listing approval by the Stock Exchange on 1 November 2022. No share options can be granted under the 2012 Scheme upon its termination.

## Other Information

During the six months ended 31 December 2023, no share options had been granted by the Company. Accordingly, there were no shares of the Company that might be issued in respect of share options granted under all share schemes of the Company during the said period. Particulars of the outstanding share options granted under the 2012 Scheme and the 2022 Scheme and their movements during the six months ended 31 December 2023 were as follows:

Grantees	Date of grant	Exercise price per share	Exercise period <sup>1</sup>	Number of share options				
				Balance as at 01.07.2023	Granted during the period	Exercised during the period	Cancelled/Lapsed during the period	Balance as at 31.12.2023
		HK\$						
<b>(i) 2012 Scheme</b>								
<b>(i) Directors</b>								
Fung Yuk-lun, Allen	22.05.2019	6.688	22.05.2020 to 21.05.2024	4,000,000	–	–	–	4,000,000
	04.05.2022	6.532	04.05.2023 to 03.05.2027	4,000,000	–	–	–	4,000,000
Tong Kwok-kong, Raymond <sup>2</sup>	05.05.2021	7.982	05.05.2022 to 04.05.2026	4,000,000	–	–	(4,000,000)	–
Chan Man-yuen, Martin	22.05.2019	6.688	22.05.2020 to 21.05.2024	1,790,000	–	–	–	1,790,000
	05.05.2021	7.982	05.05.2022 to 04.05.2026	2,500,000	–	–	–	2,500,000
Lau Yeuk-hung, Fiona	22.05.2019	6.688	22.05.2020 to 21.05.2024	1,000,000	–	–	–	1,000,000
	05.05.2021	7.982	05.05.2022 to 04.05.2026	2,500,000	–	–	–	2,500,000
<b>(ii) Other employees</b>								
	22.05.2019	6.688	22.05.2020 to 21.05.2024	2,107,000	–	–	(150,000)	1,957,000
	17.06.2020	5.39	17.06.2021 to 16.06.2025	6,662,000	–	–	–	6,662,000
	17.06.2020	5.39	01.07.2021 to 16.06.2025	450,000	–	–	(450,000)	–
	17.06.2020	5.39	02.09.2021 to 16.06.2025	600,000	–	–	–	600,000
	05.05.2021	7.982	05.05.2022 to 04.05.2026	3,520,000	–	–	–	3,520,000
	04.05.2022	6.532	04.05.2023 to 03.05.2027	5,300,000	–	–	(150,000)	5,150,000
	04.05.2022	6.532	01.06.2023 to 03.05.2027	350,000	–	–	–	350,000
<b>(iii) Related entity participants</b>								
	05.05.2021	7.982	05.10.2022 to 04.05.2026	800,000	–	–	–	800,000
	04.05.2022	6.532	04.05.2023 to 03.05.2027	100,000	–	–	–	100,000

## Other Information

Grantees	Date of grant	Exercise price per share	Exercise period <sup>1</sup>	Number of share options				
				Balance as at 01.07.2023	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Balance as at 31.12.2023
		HK\$						
<b>(II) 2022 Scheme</b>								
<b>(i) Directors</b>								
Tong Kwok-kong, Raymond <sup>2</sup>	12.01.2023	4.514	12.01.2024 to 11.01.2028	2,000,000	-	-	(2,000,000)	-
Chan Man-yuen, Martin	12.01.2023	4.514	12.01.2024 to 11.01.2028	1,500,000	-	-	-	1,500,000
Lau Yeuk-hung, Fiona	12.01.2023	4.514	12.01.2024 to 11.01.2028	1,200,000	-	-	-	1,200,000
<b>(ii) Other employees</b>								
	12.01.2023	4.514	12.01.2024 to 11.01.2028	4,700,000	-	-	(300,000)	4,400,000
	22.05.2023	4.32	22.05.2024 to 21.05.2028	5,150,000	-	-	-	5,150,000
	22.05.2023	4.32	20.06.2024 to 21.05.2028	150,000	-	-	-	150,000
	22.05.2023	4.32	29.06.2024 to 21.05.2028	500,000	-	-	-	500,000
	22.05.2023	4.32	15.08.2024 to 21.05.2028	500,000	-	-	-	500,000
<b>(iii) Related entity participants</b>								
	12.01.2023	4.514	12.01.2024 to 11.01.2028	1,000,000	-	-	-	1,000,000
<b>Total</b>				56,379,000	-	-	(7,050,000)	49,329,000

### Notes:

- No share options of the Company can be exercised within one year from the date of grant. The 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 (except that for the exercise period of the share options granted to certain employees of the Company and its subsidiaries and/or the related entity participants on 17 June 2020, 5 May 2021, 4 May 2022 and 22 May 2023 respectively, such share options can be exercised up to 30% of the grant from the first anniversary of the date of completion of one year's employment or secondment of the respective employees or related entity participants ("Date of Completion"), up to 60% of the grant from the second anniversary of the Date of Completion, and in whole or in part of the grant from the third anniversary of the Date of Completion and for the avoidance of doubt, the first anniversary of the Date of Completion is not earlier than the first anniversary of the date of grant).
- Mr. Tong Kwok-kong, Raymond resigned as an Executive Director with effect from 22 September 2023.

Save as disclosed above, there were no outstanding share options granted under the 2012 Scheme and the 2022 Scheme during the six months ended 31 December 2023.

The total number of share options available for grant under the scheme mandate of the 2022 Scheme as at 1 July 2023 was 217,205,733 share options and as at 31 December 2023 was 219,505,733 share options.

### 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 2023 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 AND OTHER PERSONS

As at 31 December 2023, the interests or short positions of the persons, other than Directors or chief executive of the Company, in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Number of shares held	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2023
Sunco Resources Limited ("Sunco") <sup>1</sup>	1,726,857,500	1,719,427,500 <sup>2</sup>	3,446,285,000	147.34
SHKP <sup>3</sup>	1,726,857,500	1,719,427,500 <sup>2</sup>	3,446,285,000	147.34
HSBC Trustee (C.I.) Limited ("HSBCCI") <sup>4</sup>	1,728,997,500	1,719,427,500 <sup>2</sup>	3,448,425,000	147.43

Notes:

1. Sunco is the beneficial owner of the 1,726,857,500 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 3,446,285,000 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 3,446,285,000 shares of the Company (including 1,719,427,500 underlying shares referred to in Note 2 above) held indirectly by SHKP for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 December 2023, 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.

### REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim results for the six months ended 31 December 2023 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, by Messrs. Deloitte Touche Tohmatsu, whose report on review of condensed consolidated financial statements is set out on page 18 of this report.

### 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 Listing Rules. The Audit Committee has reviewed this report and has provided advice and comments thereon.



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

During the six months ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

### SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

1. On 15 November 2021, Grandwide Development Limited ("Grandwide", a wholly-owned subsidiary of the Company) as borrower and the Company as guarantor signed a committed facility letter (the "BOC 2021 Facility Letter") with Bank of China (Hong Kong) Limited ("BOC") as lender whereby the banking facilities of (a) a term loan up to HK\$1,500 million (the "BOC 2021 Term Loan Facility") and (b) a revolving loan up to HK\$1,500 million (the "BOC 2021 Revolving Loan Facility") (collectively the "BOC 2021 Facilities") were made available by BOC to Grandwide subject to the terms and conditions of the BOC 2021 Facility Letter. The amounts borrowed under the BOC 2021 Term Loan Facility shall be repaid on the date falling five years from the date of the BOC 2021 Facility Letter countersigned by Grandwide and the Company (the "BOC 2021 Facilities Maturity Date"), while under the BOC 2021 Revolving Loan Facility all amounts borrowed shall be repaid or reborrowed at the end of each interest period and all outstanding amounts shall be repaid in full on the BOC 2021 Facilities Maturity Date.

Pursuant to the BOC 2021 Facility Letter, Grandwide and the Company undertook to BOC to ensure that:

- (a) SHKP would beneficially own (directly or indirectly) not less than 51% of the issued share capital of the Company; and
- (b) a comprehensive shareholder's loan facility amount (including both the total outstanding loan drawn and the undrawn committed available amount) of not less than HK\$3,800 million granted or to be granted by SHKP or any of its wholly-owned subsidiary(ies) to the Company or its wholly-owned subsidiary(ies) would be maintained (collectively the "Undertakings").

A breach of either of the Undertakings will constitute an event of default, which will lead to BOC being entitled not to make any further advances under the BOC 2021 Facility Letter and to declare that all amounts outstanding under the BOC 2021 Facilities (including interests accrued) shall immediately become due and payable.

2. On 29 June 2022, Grandwide as borrower and the Company as guarantor signed a committed facility letter (the "BOC 2022 Facility Letter") with BOC as lender whereby the banking facilities of (a) a term loan up to HK\$1,000 million (the "BOC 2022 Term Loan Facility") and (b) a revolving loan up to HK\$1,000 million (the "BOC 2022 Revolving Loan Facility") (collectively the "BOC 2022 Facilities") were made available by BOC to Grandwide subject to the terms and conditions of the BOC 2022 Facility Letter. The amounts borrowed under the BOC 2022 Term Loan Facility shall be repaid on (a) the date falling five years from the date of the BOC 2022 Facility Letter having been countersigned by the Borrower and the Company or (b) the final maturity date of the shareholder's loan of HK\$3,800 million under the loan agreement dated 28 December 2018 entered into between a wholly-owned subsidiary of SHKP (as lender) and a wholly-owned subsidiary of the Company (as borrower), whichever is earlier (the "BOC 2022 Facilities Maturity Date"), while under the BOC 2022 Revolving Loan Facility all amounts borrowed shall be repaid or reborrowed at the end of each interest period and all outstanding amounts shall be repaid in full on the BOC 2022 Facilities Maturity Date.

Pursuant to the BOC 2022 Facility Letter, Grandwide and the Company agreed to provide the same Undertakings to BOC.

A breach of either of the Undertakings (if capable of being remedied, not remedied within seven business days of notice by BOC) will constitute an event of default, which will lead to BOC being entitled not to make any further advances under the BOC 2022 Facility Letter and to declare that all amounts outstanding under the BOC 2022 Facilities (including interests accrued) shall immediately become due and payable.

## Other Information

- On 15 June 2023, Grandwise as borrower and the Company as guarantor entered into a facilities agreement (the "HSBC Facilities Agreement") for facilities in an aggregate amount of up to HK\$3,000 million (the "HSBC Facilities") with The Hongkong and Shanghai Banking Corporation Limited ("HSBC") as lender. The HSBC Facilities consist of (a) a term loan facility for an amount of HK\$2,000 million; and (b) a revolving loan facility for an amount of HK\$1,000 million. The final repayment date of the HSBC Facilities is 35 months from the date of the signing of the HSBC Facilities Agreement.

Pursuant to the HSBC Facilities Agreement, an event of default shall occur if SHKP does not or ceases to (a) directly or indirectly beneficially own at least 51% of the issued share capital of the Company; or (b) control (as defined in the HSBC Facilities Agreement) the Company.

If an event of default occurs, HSBC may cancel all commitments under the HSBC Facilities Agreement and require repayment of the loans under the HSBC Facilities, whereupon all such outstanding amounts shall become immediately due and payable.

- On 3 November 2023, Grandwise as borrower and the Company as guarantor entered into a facilities agreement (the "CHB Facilities Agreement") for (a) a term loan facility in an aggregate amount of HK\$1,000 million; and (b) a revolving loan facility in an aggregate amount of HK\$600 million (collectively, the "CHB Facilities") with Chong Hing Bank Limited ("CHB") as lender. The final repayment date of the CHB Facilities is the date falling 60 months after the first utilisation date under the CHB Facilities Agreement.

Pursuant to the CHB Facilities Agreement, an event of default shall occur if SHKP does not or ceases to directly or indirectly own beneficially not less than 51% of the issued share capital of the Company.

If an event of default occurs, CHB may cancel all or any part of the CHB Facilities and declare that all outstanding amounts under the CHB Facilities Agreement be immediately due and payable.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code in Appendix C3 to the Listing Rules as the code of conduct for the Directors and the relevant employees who are likely to possess inside information of the Group in their dealings in the securities of the Company. Upon the Company's specific enquiry, each Director has confirmed that during the six months ended 31 December 2023, he/she has fully complied with the Model Code and there is no event of non-compliance.

## CORPORATE GOVERNANCE CODE

Throughout the six months ended 31 December 2023, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except that the Chairman of the Board was unable to attend the annual general meeting of the Company held on 27 October 2023 (the "AGM") due to other commitment. Question and answer session was arranged in the AGM to address questions from the shareholders of the Company (the "Shareholders") which fostered constructive dialogues between the Shareholders and the Directors.

On behalf of the Board

**Kwok Ping-luen, Raymond**

*Chairman*

Hong Kong, 27 February 2024

*As at the date of this report, the Board comprises four Executive Directors, being Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric and Chan Man-yuen, Martin; six Non-Executive Directors, being Cheung Wing-yui, Kwok Kai-wang, Christopher, David Norman Prince, Siu Hon-wah, Thomas, Chan Hong-ki, Robert and Lau Yeuk-hung, Fiona; and six Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose, Wong Kai-man, Lee Wai-kwong, Sunny, Cheng Ka-lai, Lily and Leong Kwok-kuen, Lincoln.*

**SUNeVision Holdings Ltd.**  
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