



SUNeVision Holdings Ltd.
新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2006

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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The Directors collectively and individually accept full responsibility for this announcement which is given in compliance with the requirements (Rules Governing the Listing of Securities on the Growth Enterprise Market) of the Stock Exchange. The Directors confirm, having made all reasonable enquires, that to the best of their knowledge and belief, (i) the information contained in the announcement are accurate and complete in all material aspects and not misleading; (ii) there are no other facts the omission of which would make any statement herein misleading; and (iii) opinions expressed in this announcement have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

As at the date of this announcement, the Board of Directors comprises eleven Executive Directors, being KWOK Ping-luen, Raymond, KWOK Ping-sheung, Walter, KWOK Ping-kwong, Thomas, SO Sing-tak, Andrew, CHAN Kui-yuen, Thomas, WONG Yick-kam, Michael, SO Chung-keung, Alfred, TUNG Chi-ho, Eric, WONG Chin-wah, TUNG Yiu-kwan, Stephen and TSIM Wing-kit, Alfred; one Non-Executive Director, being CHEUNG Wing Yui; and three Independent Non-Executive Directors, being Professor KAO Kuen, Charles, Professor LI On-kwok, Victor and Dr. FONG Ching, Eddy.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the day of its posting.

CHAIRMAN'S STATEMENT

SUNeVision continued to grow profitably during the financial year 2005-2006, generating a net profit of HK\$339 million compared with HK\$146 million in the previous financial year.

Financial Highlights

Turnover was HK\$276 million, an eleven percent increase over that in the previous financial year. Factors behind the growth included higher revenues, driven by increased demand, from the Group's Internet data centre and last-mile connectivity businesses. The year's gross profit of HK\$109 million was also higher than the previous financial year's, reflecting price improvements across the Group's businesses. Gross margin for the year was 39 percent, two percent higher than that in the previous financial year.

Other revenue, being revenue in addition to turnover from operations, was HK\$181 million. This was substantially higher than that of last financial year largely as a result of the one-time redemption of several bond holdings, and the one-time distributions from an equity technology investment, during the year. Operating expenditures were HK\$48 million, similar to that of the previous financial year. Profit from operations was HK\$241 million.

Following normal practice, the Group's investment properties were independently revalued as of 30 June 2006 on an open market value basis, leading to a one-time valuation surplus of HK\$141 million, which reflected prevailing property market conditions.

During the financial year, the Group reviewed its equity technology investments. Following normal practice, several listed investments were revalued as of 30 June 2006 on an open market value basis. At the same time, impairments were made to a few investments as a result of prevailing market conditions and a prudent and conservative outlook for the investments. As of 30 June 2006, the value of the Group's equity technology investments stood at HK\$72 million.

After these adjustments, and allowing for taxation and minority interests, net profit for the financial year was HK\$339 million. Shareholder funds as of 30 June 2006 stood at HK\$3,308 million, or HK\$1.63 per share. The Group's financial position continues strong, with approximately HK\$1.6 billion in cash and interest-bearing securities.

As a result of the Group's profitability, the directors recommend the payment of a final dividend of HK\$0.045 per share for the year ended 30 June 2006, the same as that in the previous financial year.

Furthermore, in recognition of our shareholders' long-term trust and support, and to produce a more efficient capital structure for the Group in the long-term, the directors recommend the payment of a special cash dividend of HK\$0.66 per share for the year ended 30 June 2006. After the distribution of the recommended dividends, the Group will continue to hold sufficient cash resources to meet expected operational needs and needs for future growth.

Business Review

iAdvantage continued to strengthen its position as the leader in carrier-neutral data centre facilities and services in Hong Kong and China during the year. The business unit continued to meet the needs of global financial services, telecommunications carriers, IT service providers, multinational corporations, and government authorities with its carrier-neutral, world-class facilities and services. Overall data centre occupancy during the year was approximately 70 percent, a significant improvement over that in the previous financial year. Demand for iAdvantage's services is anticipated to grow.

During the year, the Group's consumer enabling and property-related technology businesses continued to deliver value-added services to their customers. Productivity improved and the parent company's strong property heritage continued to provide valuable leverage.

Prospects

SUNeVision's portfolio of data infrastructure and service provision businesses positions it well for sustained profitability and continued growth. iAdvantage will strive to raise the occupancy of its data centres, while the Group's consumer enabling and property-related technology businesses will continue to leverage the parent company's valuable relationships.

SUNeVision continues to maintain high standards of corporate governance. The full array of Audit, Remuneration, and Nomination Committees of the Board of Directors has been in place since the beginning of the financial year. The Group believes that by conducting its business in a well-governed and socially responsible manner, its long-term interests and those of its shareholders will be maximized.

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

KWOK Ping-luen, Raymond

Chairman

Hong Kong, 6 September 2006

CHIEF EXECUTIVE OFFICER'S REPORT

Overview

SUNeVision achieved its third consecutive year of profit, generating a net profit of HK\$339 million in the financial year 2005-2006 compared with HK\$146 million in the previous financial year.

Turnover was HK\$276 million, an eleven percent increase over that in the previous financial year. Factors behind the growth included higher revenues, driven by increased demand, from the Group's Internet data centre and last-mile connectivity businesses. The year's gross profit of HK\$109 million was also higher than the previous financial year's, reflecting price improvements across the Group's businesses. Gross margin for the year was 39 percent, two percent higher than that in the previous financial year.

Other revenue, being revenue in addition to turnover from operations, was HK\$181 million. This was substantially higher than that of last financial year largely as a result of the one-time redemption of several bond holdings, and the one-time distributions from an equity technology investment, during the year. Operating expenditures were HK\$48 million, similar to that of the previous financial year. Profit from operations was HK\$241 million.

Following normal practice, the Group's investment properties were independently revalued as of 30 June 2006 on an open market value basis, leading to a one-time valuation surplus of HK\$141 million, which reflected prevailing property market conditions.

During the financial year, the Group reviewed its equity technology investments. Following normal practice, the value of several listed investments were revalued as of 30 June 2006 on an open market value basis. At the same time, impairments were made to a few investments as a result of prevailing market conditions and a prudent and conservative outlook for the investments.

After these adjustments, and allowing for taxation and minority interests, net profit for the financial year was HK\$339 million.

Business Review

Data Infrastructure

iAdvantage

iAdvantage continued to strengthen its leadership position in carrier-neutral data centre infrastructure and services in Hong Kong and Mainland China. The company's world-class facilities and services enabled it to meet or exceed customers' stringent requirements for business continuity, outsourcing, and other mission-critical operations. During the year iAdvantage added major multinational and local corporations to its customer base, including a global leader in Internet search services, Fortune 500 corporations, and global telecom operators. Overall data centre occupancy reached approximately 70 percent, a significant improvement over that in the previous financial year. Demand for iAdvantage's facilities and services is anticipated to grow.

Super e-Technology

Super e-Technology continued to win new business in an increasingly competitive market. During the year contracts were awarded for the installation of SMATV and ELV systems at several prestigious developments. The total number of deployed Super e-Shooter systems reached 19 during the year, and orders for additional systems have been awarded. The company continues to maintain systems for a major pay-TV operator, providing additional programming to approximately 80,000 households.

Super e-Network

Super e-Network continued to offer value-added services to residential broadband users. Current projects include Manhattan Hill in West Kowloon and the upgrading of a 380-node private network for the management of multiple estates. The company anticipates continuing penetration of residential estates as the demand for broadband services rises.

Enabling Services

SuperStreets

SuperStreets continued to provide profitable mortgage referral and other property-related services to home buyers.

SuperHome

SuperHome continued to provide convenient and diversified on-line and on-site services to residential estates in Hong Kong and Southern China.

Red-Dots

Red-Dots continued to serve its core user community with its trusted e-auction and e-commerce platform. To seek new growth in China's expanding e-commerce market, Red-dots China (www.reddots.cn) was launched, in conjunction with local strategic partners, in June 2006 to test the feasibility of the company's product and service offerings on the Mainland.

Investments

Venture Capital

During the financial year, the Group reviewed its equity technology investments. Following normal practice, several listed investments were revalued as of 30 June 2006 on an open market value basis. At the same time, impairments were made to a few investments as a result of prevailing market conditions and a prudent and conservative outlook for the investments. As of 30 June 2006 the value of the Group's equity technology investments stood at HK\$72 million. The Group will maintain a prudent and conservative approach to investments, committing funds only where returns can be reasonably expected and are demonstrably attractive.

Other Financial Discussion and Analysis

The Group practices prudent financial management and has a strong balance sheet, with ample liquidity and financial resources. As of 30 June 2006, the Group had cash and interest-bearing securities of approximately HK\$1.6 billion. The Group's gearing ratio as of the same date (calculated on the basis of net debt to shareholders' funds) was zero.

As of 30 June 2006, the Group had contingent liabilities in respect of guarantees for general banking facilities utilized by group subsidiaries and other guarantees in the aggregate amount of HK\$105.5 million. The Group's core operations are based in Hong Kong and its assets are primarily in Hong Kong or US dollars. It had no significant exposure to foreign exchange rate fluctuations. As of 30 June 2006, the Group had not pledged any of its assets, and there were no material acquisitions or disposals of subsidiaries or affiliated companies during the year under review.

Employees

As of 30 June 2006 the Group had 198 full-time employees. The Group is keen to retain and motivate talent and continues to make adjustments in compensation, where necessary, to recognize employees' contributions and to respond to changes in the employment market. Payroll costs remained stable during the year, and bonuses were paid to selected employees to recognize outstanding performance. Other remuneration and benefits, including medical coverage and provident fund contributions, remained at appropriate levels. Various training and development opportunities continued to be offered to enhance employees' knowledge and skills. The Group also offers a share-option scheme to recognize employees who make significant contributions, particulars of which are set out in the relevant sections of this report.

In recognition of his past and ongoing contributions to the Group, Mr. Alfred Tsim has been appointed Executive Director and Chief Financial Officer of SUNeVision beginning in the new financial year.

Outlook

SUNeVision's portfolio of data infrastructure and service provision businesses positions it well for sustained profitability and continued growth. iAdvantage will continue to build its leadership position and strive to raise the occupancy of its data centres in Hong Kong and China. The Group's consumer enabling and property-related technology businesses will continue to leverage the parent company's valuable relationships, and seek new ways to grow.

I would like to close by thanking the board of directors for their continuing support, every member of staff for their ongoing commitment and hard work, and our shareholders for their long-standing trust and support.

SO Sing-tak, Andrew
Chief Executive Officer

Hong Kong, 6 September 2006

AUDITED CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2006

	Notes	2006 HK\$'000	2005 HK\$'000 <i>(restated)</i>
Revenue	4	276,332	248,068
Cost of sales		(167,527)	(154,467)
Gross profit		108,805	93,601
Other income	6	180,748	49,035
Selling expenses		(7,242)	(9,258)
Administrative expenses		(40,944)	(39,033)
Finance charges on finance leases		-	(3)
Fair value changes/surplus on revaluation of investment properties		141,000	59,200
Share of loss of an associate		-	(190)
Profit before taxation		382,367	153,352
Income tax expense	7	(24,944)	(7,121)
Profit for the year	8	357,423	146,231
Attributable to:			
Equity holders of the Company		339,262	146,231
Minority interests		18,161	-
		357,423	146,231
Dividends	9		
Final dividend proposed		91,203	91,203
Special dividend proposed		1,337,642	-
		1,428,845	91,203
Earnings per share	10		
- Basic		16.74 cents	7.22 cents
- Diluted		N/A	N/A

AUDITED CONSOLIDATED BALANCE SHEET

At 30 June 2006

	Notes	2006 HK\$'000	2005 HK\$'000 <i>(restated)</i>
Non-current assets			
Investment properties		714,000	573,000
Property, plant and equipment		991,676	1,009,942
Investments		169,163	415,133
		<u>1,874,839</u>	<u>1,998,075</u>
Current assets			
Investments		23,379	447,688
Inventories		2,862	3,554
Trade and other receivables	11	49,744	59,449
Amounts due from customers for contract work		7,075	6,528
Bank balances and deposits		1,512,719	755,442
		<u>1,595,779</u>	<u>1,272,661</u>
Current liabilities			
Trade and other payables	12	118,542	125,054
Amounts due to customers for contract work		169	409
		<u>118,711</u>	<u>125,463</u>
Net current assets		1,477,068	1,147,198
Total assets less current liabilities		<u>3,351,907</u>	<u>3,145,273</u>
Non-current liabilities			
Deferred tax liabilities		32,065	7,121
Amounts due to minority shareholders of subsidiaries		5,421	30,501
		<u>37,486</u>	<u>37,622</u>
		<u>3,314,421</u>	<u>3,107,651</u>
Capital and reserves			
Share capital		202,673	202,673
Reserves		3,105,121	2,916,773
Equity attributable to equity holders of the Company		<u>3,307,794</u>	<u>3,119,446</u>
Minority interests		6,627	(11,795)
Total equity		<u>3,314,421</u>	<u>3,107,651</u>

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2006

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Property revaluation reserve HK\$'000	Investments revaluation reserve HK\$'000	Shared-based payment transactions reserve HK\$'000	Accumulated losses HK\$'000	Proposed dividend HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 July 2004, as originally stated	202,619	3,868,367	288	6,233	-	-	(1,095,236)	60,786	3,043,057	-	3,043,057
Effect of application of new HKFRSs (see Note 3)	-	-	-	(6,135)	-	301	(301)	-	(6,135)	(11,525)	(17,660)
At 1 July 2004, as restated	202,619	3,868,367	288	98	-	301	(1,095,537)	60,786	3,036,922	(11,525)	3,025,397
Change in fair value of investments	-	-	-	-	(4,522)	-	-	-	(4,522)	-	(4,522)
Exchange difference on disposal of overseas subsidiaries	-	-	48	-	-	-	-	-	48	-	48
Net income (expense) recognised directly in equity	-	-	48	-	(4,522)	-	-	-	(4,474)	-	(4,474)
Profit for the year	-	-	-	-	-	-	146,231	-	146,231	-	146,231
Total recognised income for the year	-	-	48	-	(4,522)	-	146,231	-	141,757	-	141,757
Recognition of equity settled share-based payment	-	-	-	-	-	511	-	-	511	-	511
Issue of new shares upon exercise of share options	54	709	-	-	-	-	-	-	763	-	763
Dividend paid	-	-	-	-	-	-	-	(60,786)	(60,786)	-	(60,786)
Release upon redemption / disposals of investments	-	-	-	-	-	-	279	-	279	-	279
Proposed final dividend	-	-	-	-	-	-	(91,203)	91,203	-	-	-
Disposal of minority interests	-	-	-	-	-	-	-	-	-	(270)	(270)
At 30 June 2005 and 1 July 2005 as restated	202,673	3,869,076	336	98	(4,522)	812	(1,040,230)	91,203	3,119,446	(11,795)	3,107,651
Change in fair value of investments	-	-	-	-	279	-	-	-	279	-	279
Exchange difference arising from translation of operations outside Hong Kong	-	-	88	-	-	-	-	-	88	234	322
Net income recognised directly in equity	-	-	88	-	279	-	-	-	367	234	601
Profit for the year	-	-	-	-	-	-	339,262	-	339,262	18,161	357,423
Total recognised income for the year	-	-	88	-	279	-	339,262	-	339,629	18,395	358,024
Recognition of equity settled share-based payment	-	-	-	-	-	1,152	-	-	1,152	-	1,152
Capital injection	-	-	-	-	-	-	-	-	-	27	27
Dividend paid	-	-	-	-	-	-	-	(91,203)	(91,203)	-	(91,203)
Release upon redemption / disposals of investments	-	-	-	-	3,882	-	(65,112)	-	(61,230)	-	(61,230)
Proposed final dividend	-	-	-	-	-	-	(91,203)	91,203	-	-	-
Proposed special dividend	-	(1,337,642)	-	-	-	-	-	1,337,642	-	-	-
At 30 June 2006	202,673	2,531,434	424	98	(361)	1,964	(857,283)	1,428,845	3,307,794	6,627	3,314,421

NOTES TO FINANCIAL STATEMENTS

1. Basis of Preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

2. Application of new/revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2005, except for HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement, which had been early adopted by the Group for the year ended 30 June 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and prior accounting years are prepared and presented:

- HKFRS 2 Share-based Payment
- HKAS 17 Leases
- HKAS 40 Investment Properties
- HK(SIC)-INT 21 Income Taxes-Recovery of Revalued Non-Depreciable Assets

(a) *HKFRS 2 Share-based Payment*

HKFRS 2 Share-based Payment requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Group, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. In relation to share options granted before 1 July 2005, the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7 November 2002 and to those share options vested before 1 July 2005. However, the Group is still required to apply HKFRS 2 retrospectively to share options that were granted after 7 November 2002 and had not yet vested on 1 July 2005. Comparative figures of the Group's financial statements have been restated (see note 3 for the financial impact).

2. Application of new/revised Hong Kong Financial Reporting Standards (*continued*)

(b) *HKAS 17 Leases*

Owner-occupied leasehold land

In previous years, the Group's land and buildings held for own use were stated in the consolidated balance sheet at their revalued amount, less any subsequent accumulated depreciation and accumulated impairment losses (if any). Any surplus arising on revaluation of these properties was credited to the property revaluation reserve. In the current year, the Group has applied HKAS 17 Leases. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payment under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. Where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment and are carried at cost, less any subsequent accumulated depreciation and accumulated impairment losses (if any). Upon the change in accounting policy, the revaluation surplus arising in previous years has been reversed. As a result, the carrying amount of the land and buildings and the property revaluation reserve have been restated.

(c) *HKAS 40 Investment Properties*

The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the year in which they arise. In the previous year, investment properties under the predecessor Standard were measured at open market value, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance in this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation surplus subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has elected to apply HKAS 40 from 1 July 2005 onwards. The application of HKAS 40 has had no material effect for the current or prior accounting periods because the revaluation decrease in prior years was charged to the income statement in accordance with the above policy.

(d) *HK(SIC)-INT 21 Income taxes - Recovery of Revalued Non-Depreciable Assets*

In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current year, the Group has applied HK(SIC)-INT 21 Income taxes - Recovery of Revalued Non-Depreciable Assets which removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflects the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HK(SIC)-INT 21, this change in accounting policy has been applied retrospectively. Accordingly, deferred tax liabilities on investment properties held by the Group have been adjusted retrospectively (see note 3 for the financial impact).

3. Summary of the effects of the new/revised Hong Kong Financial Reporting Standards

The effects of the application of the new HKFRSs described in notes 2 (a) to (d) on the results for the current and prior year are as follows:

(a) Income statement items

	2006			2005	
	HKFRS 2	HKAS 17	HK(SIC)-	Total	Total
	HK\$'000	HK\$'000	INT 21	effect	effect
	(Note 2a)	(Note 2b)	(Note 2d)	HK\$'000	HK\$'000
Recognition of share-based payments as expense	(1,152)	-	-	(1,152)	(511)
Increase in deferred taxation on revaluation of investment properties	-	-	(17,092)	(17,092)	(7,121)
Decrease in depreciation of property, plant and equipment	-	166	-	166	-
(Decrease) increase in profit for the year	<u>(1,152)</u>	<u>166</u>	<u>(17,092)</u>	<u>(18,078)</u>	<u>(7,632)</u>
Attributable to:					
Equity holders of the Company	<u>(1,152)</u>	<u>166</u>	<u>(17,092)</u>	<u>(18,078)</u>	<u>(7,632)</u>

Analysis of decrease in profit for the year is as follows:-

	2006	2005
	HK\$'000	HK\$'000
Decrease in cost of sales	166	-
Increase in administrative expenses	(1,152)	(511)
Increase in income tax expense	(17,092)	(7,121)
Decrease in profit for the year	<u>(18,078)</u>	<u>(7,632)</u>

3. Summary of the effects of the new/revised Hong Kong Financial Reporting Standards (continued)

The cumulative effects of the application of the new HKFRSs described in notes 2 (a) to (d) on 30 June 2005 and 1 July 2005 are summarised below:

(b) Balance sheet items

	As at 30 June 2005 (originally stated) HK\$'000	Retrospective adjustments				As at 30 June 2005 and 1 July 2005 HK\$'000 (restated)
		HKAS 1 HK\$'000 (Note 2)	HKFRS 2 HK\$'000 (Note 2a)	HKAS 17 HK\$'000 (Note 2b)	HK(SIC)- INT 21 HK\$'000 (Note 2d)	
Property, plant and equipment	1,016,077	-	-	(6,135)	-	1,009,942
Deferred tax liabilities	-	-	-	-	(7,121)	(7,121)
Amounts due to minority shareholders	-	(30,501)	-	-	-	(30,501)
Total effects on assets and liabilities	1,016,077	(30,501)	-	(6,135)	(7,121)	972,320
Property revaluation reserve	6,233	-	-	(6,135)	-	98
Accumulated losses	(1,032,297)	-	(812)	-	(7,121)	(1,040,230)
Share-based payment transactions reserve	-	-	812	-	-	812
Minority interests	-	(11,795)	-	-	-	(11,795)
Total effects on equity	(1,026,064)	(11,795)	-	(6,135)	(7,121)	(1,051,115)
Minority interests	18,706	(18,706)	-	-	-	-

(c) The effects of the application of the new HKFRSs described in notes 2 (a) to (d) to the Group's equity at 1 July 2004 are summarised below:

	As at 1 July 2004 (originally stated) HK\$'000	Retrospective adjustments			As at 1 July 2004 HK\$'000 (restated)
		HKAS 1 HK\$'000 (Note 2)	HKFRS 2 HK\$'000 (Note 2a)	HKAS 17 HK\$'000 (Note 2b)	
Share capital	202,619	-	-	-	202,619
Share-based payment transactions reserve	-	-	301	-	301
Share premium	3,868,367	-	-	-	3,868,367
Accumulated losses	(1,095,236)	-	(301)	-	(1,095,537)
Other reserves	6,521	-	-	(6,135)	386
Proposed dividend	60,786	-	-	-	60,786
Equity holders of the Company	3,043,057	-	-	(6,135)	3,036,922
Minority interests	-	(11,525)	-	-	(11,525)
Total effects on equity	3,043,057	(11,525)	-	(6,135)	3,025,397

3. Summary of the effects of the new/revised Hong Kong Financial Reporting Standards (continued)

At the balance sheet date, some of the HKFRSs, HKASs, and Interpretations have been issued by the HKICPA but are not yet effective. The Group has already commenced an assessment of their impact when they become effective and does not expect this will result in substantial changes to the Group's principal accounting policies.

4. Revenue

Revenue represents revenue generated from the following activities:

	2006 HK\$'000	2005 HK\$'000
Income from Internet services centre and IT facilities	166,632	148,444
Installation and maintenance fee of SMATV, CABD, structural cabling and security systems	77,348	68,793
Property rentals and building management services	32,352	30,831
	276,332	248,068
	=====	=====

5. Business and geographical segments

Business segments

Business segment information is chosen as the primary reporting segment format. The principal activities of the main business segments of the Group are as follows:

Internet services centre and IT facilities cover the provision of data centre, facilities management, web applications and value added services.

Satellite master antenna television system ("SMATV"), communal aerial broadcast distribution ("CABD"), structural cabling and security systems comprise installation and maintenance services for the respective systems.

Properties holding refers to the Group's interests in rental properties.

5. Business and geographical segments (continued)

Business segments (continued)

Segment information about these businesses is presented below:

For the year ended 30 June 2006

	Internet services centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
REVENUE					
External	166,632	77,348	32,352	-	276,332
Inter-segment	8,278	823	2,250	(11,351)	-
Total	<u>174,910</u>	<u>78,171</u>	<u>34,602</u>	<u>(11,351)</u>	<u>276,332</u>
RESULTS					
Segment results	<u>33,966</u>	<u>17,341</u>	<u>164,934</u>	-	216,241
Unallocated corporate expenses					(15,399)
Interest income					67,836
Gain on redemption/disposal of investments					61,230
Distribution income from equity technology investments					52,459
Profit before taxation					<u>382,367</u>
Income tax expense					(24,944)
Profit for the year					<u>357,423</u>

Inter-segment sales are charged at prevailing market rates.

At 30 June 2006

	Internet services centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Others HK\$'000	Consolidated HK\$'000
ASSETS					
Segment assets	<u>1,031,163</u>	<u>37,805</u>	<u>719,310</u>	-	1,788,278
Unallocated corporate assets					<u>1,682,340</u>
Consolidated total assets					<u>3,470,618</u>
LIABILITIES					
Segment liabilities	<u>76,728</u>	<u>17,684</u>	<u>14,300</u>	-	108,712
Unallocated corporate liabilities					15,420
Deferred tax liabilities					32,065
Consolidated total liabilities					<u>156,197</u>
Other information:					
Capital additions	26,542	727	-	46	27,315
Depreciation	44,684	1,240	-	54	45,978
Share-based payment expense	334	130	-	688	1,152

5. Business and geographical segments (continued)

Business segments (continued)

For the year ended 30 June 2005

	Internet services centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Elimination HK\$'000	Consolidated HK\$'000 <i>(restated)</i>
REVENUE					
External	148,444	68,793	30,831	-	248,068
Inter-segment	9,249	797	2,313	(12,359)	-
Total	157,693	69,590	33,144	(12,359)	248,068
RESULTS					
Segment results	29,546	16,398	79,818	-	125,762
Unallocated corporate expenses					(16,760)
Interest income					47,550
Loss on redemption/disposal of investments					(1,723)
Exchange loss on debt securities					(1,284)
Finance charges on finance leases					(3)
Share of loss of an associate					(190)
Profit before taxation					153,352
Income tax expense					(7,121)
Profit for the year					146,231

Inter-segment sales are charged at prevailing market rates.

At 30 June 2005

	Internet services centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Others HK\$'000	Consolidated HK\$'000 <i>(restated)</i>
ASSETS					
Segment assets	1,045,846	32,131	577,133	-	1,655,110
Unallocated corporate assets					1,615,626
Consolidated total assets					3,270,736
LIABILITIES					
Segment liabilities	62,909	18,372	15,157	-	96,438
Unallocated corporate liabilities					59,526
Deferred tax liabilities					7,121
Consolidated total liabilities					163,085
Other information:					
Capital additions	14,740	1,870	-	-	16,610
Depreciation	44,555	1,017	-	245	45,817
Share-based payment expense	138	74	-	299	511

5. Business and geographical segments (continued)

Geographical segments

The Group's revenue and results are substantially derived from Hong Kong. Accordingly, no analysis by geographical segment is presented.

6. Other income

	2006 HK\$'000	2005 HK\$'000
Interest income	67,836	47,550
Gain (loss) on redemption / disposal of investments	61,230	(1,723)
Distribution income from equity technology investments	52,459	-
Others	(777)	3,208
	<u>180,748</u>	<u>49,035</u>
	=====	=====

7. Income tax expense

	2006 HK\$'000	2005 HK\$'000 (restated)
Deferred tax		
Current year	23,437	7,121
Underprovision in prior years	1,507	-
	<u>24,944</u>	<u>7,121</u>
	=====	=====

No tax is payable on the profit for both years arising in Hong Kong since the estimated assessable profit is wholly absorbed by tax losses brought forward.

8. Profit for the year

	2006 HK\$'000	2005 HK\$'000
Profit for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	45,978	45,817
Exchange loss	1,909	1,284
(Gain) loss on disposal of property, plant and equipment	(79)	203
	<u>=====</u>	<u>=====</u>

9. Dividends

	2006 HK\$'000	2005 HK\$'000
Dividend, paid		
Final dividend of HK\$0.045 (2005: HK\$0.03) per share	91,203	60,786
	=====	=====
Dividend proposed		
Final dividend of HK\$0.045 (2005: HK\$0.045) per share	91,203	91,203
Special dividend of HK\$0.66 (2005: nil) per share	1,337,642	-
	-----	-----
	1,428,845	91,203
	=====	=====

At a meeting held on 6 September 2006, the Directors recommended the declaration of a final dividend of HK\$0.045 per share for the year ended 30 June 2006. This proposed dividend is not included as a dividend payable in the consolidated balance sheet as at 30 June 2006.

The Directors also recommended the declaration of a special cash dividend of HK\$0.66 per share. This proposed special dividend is not included as a dividend payable in the consolidated balance sheet as at 30 June 2006, but will be accounted for as an appropriation of share premium account for the year ending 30 June 2007.

10. Earnings per share

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

	2006 HK\$'000	2005 HK\$'000
		<i>(restated)</i>
Earnings for the purpose of basic and diluted earnings per share	339,262	146,231
	=====	=====
	2006 Number of shares	2005 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,026,730,833	2,026,371,381
	=====	=====

No diluted earnings per share has been presented for both years because the exercise price of the Company's outstanding share options was higher than the average market price of the shares of the Company during the years.

The following table summarises the impact on basic earnings per share as a result of the application of new HKFRSs:

	Impact on basic earnings per share	
	Year ended 30.6.2006 cents	Year ended 30.6.2005 cents
Figures before adjustments	17.63	7.60
Adjustments arising from the application of new HKFRSs (see note 3)	(0.89)	(0.38)
Restated	16.74	7.22

11. Trade and other receivables

The Group generally grants an average credit period of 30 days to its customers.

The following is an aged analysis of trade receivables at the balance sheet date:

	2006 HK\$'000	2005 HK\$'000
Up to 60 days	31,645	23,507
61 - 90 days	2,578	1,801
Over 90 days	1,195	2,060
Trade receivables	35,418	27,368
Other receivables and prepayment	14,326	32,081
	49,744	59,449

12. Trade and other payables

The following is an aged analysis of trade payables at the balance sheet date:

	2006 HK\$'000	2005 HK\$'000
Up to 60 days	2,282	3,543
Over 60 days	52	82
Trade payables	2,334	3,625
Other payables	116,208	121,429
	118,542	125,054

DIVIDENDS

The Board of Directors recommended a final dividend of HK\$0.045 per share (2005: HK\$0.045) to the shareholders registered in the Company's Register of Members as at the close of business on 26 October 2006. In addition, the Directors also proposed to pay a special cash dividend of HK\$0.66 per share (2005: Nil) to the shareholders, making a total dividend of HK\$0.705 per share for the full year ended 30 June 2006 (2005: HK\$0.045).

CLOSING OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 19 October, 2006 to Thursday, 26 October 2006 (both days inclusive). In order to establish entitlements to the proposed final dividend and special cash dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 18 October 2006.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee had reviewed the annual results and provided advice and comments thereon.

CODE ON CORPORATE GOVERNANCE PRACTICES

As at the date of this Announcement, the Company has met the code provisions set out in the code on Corporate Governance Practices contained in Appendix 15 of GEM Listing Rules.

On behalf of the Board

KWOK Ping-luen, Raymond
Chairman

Hong Kong, 6 September 2006