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SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8008)

**PROPOSED BONUS ISSUE OF SHARES TO FULFIL
THE NEW PUBLIC FLOAT REQUIREMENT**

AND

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION



Financial adviser to the Company

In order to fulfil the new public float requirement by 30 June 2011 as required under the GEM Listing Rules, the Board proposed to make a bonus issue of new Shares, credited as fully-paid, on the basis of one (1) Bonus Share for every one (1) existing Share held by the Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Issue will be effected by way of capitalisation of an amount standing to the credit of the Company's share premium account. Each Shareholder will be given the option to elect to receive the Convertible Notes in lieu of all (but not part of) the Shareholder's entitlement to the Bonus Shares. The Convertible Notes will be unlisted, non-transferable and irredeemable but will have conversion rights entitling the Noteholder to convert into an equivalent number of Shares as the number of Bonus Shares which the Noteholder would otherwise be entitled to receive under the Bonus Issue had the Shareholder not elected for the

Convertible Notes. In the absence of such election, a Shareholder will receive Bonus Shares under the Bonus Issue.

The proposed Bonus Issue is conditional upon (i) the approval of the proposed amendments to the Articles for the purpose of the Convertible Notes by the Shareholders by way of special resolution at the forthcoming AGM; (ii) the approval of the Bonus Issue and the terms of the Convertible Note by the Shareholders by way of ordinary resolution at the EGM; (iii) the approval from the Stock Exchange of the terms of the Convertible Note to be issued; (iv) the approval of the issue of (a) the Bonus Shares and the Convertible Notes, (b) new Shares falling to be issued upon conversion of the Convertible Notes or otherwise issued in accordance with the terms of the Deed Poll and (c) further new Shares falling to be issued upon conversion of any further new convertible notes which may be issued by the Company on the same terms and conditions as the Convertible Notes in accordance with the Deed Poll, by the Shareholders by way of ordinary resolution at the EGM; and (v) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares and the Shares to be issued upon conversion of the Convertible Notes.

SHKP, through the SHKP Subsidiaries, beneficially owns a total of 1,719,427,500 Shares, representing approximately 84.64% of the issued share capital of the Company. SHKP has confirmed to the Company that it will procure the SHKP Subsidiaries to (i) vote in favour of the special resolution to be proposed at the forthcoming AGM in relation to the proposed amendments to the Articles for the purpose of the Convertible Notes; (ii) vote in favour of all the relevant resolution(s) to be proposed at the EGM in relation to the Bonus Issue and the Convertible Notes; and (iii) elect to receive the Convertible Notes in lieu of the Bonus Shares in respect of all the Shares registered in the names of the SHKP Subsidiaries on the Record Date, in order to facilitate the Company to comply with the GEM Listing Rules, which require that not less than 25% of the Shares in issue should be held by the public by 30 June 2011.

The Board recommends Shareholders (other than the SHKP Subsidiaries) NOT to elect to receive the Convertible Notes which will be unlisted, non-transferable and irredeemable.

A circular containing, among other things, details of the Bonus Issue, the terms and conditions of the Convertible Notes and a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

The Board proposes that in order to facilitate the issuance of the Convertible Notes and the future issuance of new Shares or other securities to Noteholders in accordance with the Deed Poll and the terms and conditions of the Convertible Notes, certain amendments will be made to the Articles. A special resolution to amend the Articles will be put forward at the AGM for approval by the Shareholders. Implementation of the Bonus Issue is conditional upon, among other things, the passing of such special resolution. A circular containing, among other things, details of the proposed amendments to the existing Articles will be despatched to the Shareholders as soon as practicable.

Proposed Bonus Issue of Shares

In order to fulfil the new public float requirement by 30 June 2011 as required under the GEM Listing Rules, the Board proposed to make a bonus issue of new Shares, credited as fully-paid, on the basis of one (1) Bonus Share for every one (1) existing Share held by the Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Issue will be effected by way of capitalisation of an amount standing to the credit of the Company's share premium account. Each Shareholder will be given the option to elect to receive the Convertible Notes in lieu of all (but not part of) the Shareholder's entitlement to the Bonus Shares. The Convertible Notes will be unlisted, non-transferable and irredeemable but will have conversion rights entitling the Noteholder to convert into an equivalent number of Shares as the number of Bonus Shares which the Noteholder would otherwise be entitled to receive under the Bonus Issue had the Shareholder not elected for the Convertible Notes. In the absence of such election, a Shareholder will receive Bonus Shares under the Bonus Issue.

As at the date of this announcement, the number of Shares in issue was 2,031,483,833 and accordingly the Bonus Issue would give rise to the issue of the same number of Bonus Shares in the absence of any Shareholder electing to receive the Convertible Notes in lieu of the Bonus Shares. In order to facilitate the Company to comply with the new public float requirement under the GEM Listing Rules, which require that by 30 June 2011 not less than 25% of the issued share capital of the Company is held by the public, SHKP, as the ultimate controlling shareholder of the Company, has confirmed to the Company that it will procure the SHKP Subsidiaries to (i) vote in favour of the special resolution to be proposed at the forthcoming AGM in relation to the proposed amendments to the Articles for the purpose of the Convertible Notes; (ii) vote in favour of all the relevant resolution(s) to be proposed at the EGM in relation to the Bonus Issue and the Convertible Notes; and (iii) elect to receive the Convertible Notes in lieu of the Bonus Shares in respect of all the Shares registered in the names of the SHKP Subsidiaries on the Record Date. SHKP, through the SHKP Subsidiaries, beneficially owns a total of 1,719,427,500 Shares, representing approximately 84.64% of the issued share capital of the Company. Set out below is the shareholding structure of the Company as at the date of this announcement and upon completion of the Bonus Issue (assuming that no Shareholders other than the SHKP Subsidiaries will elect to receive the Convertible Notes in lieu of the Bonus Shares).

	As at the date of this announcement		Immediately after completion of the Bonus Issue	
	<u>No. of Shares</u>	<u>Shareholding percentage (approx.)</u>	<u>No. of Shares</u>	<u>Shareholding percentage (approx.)</u>
No. of Shares held by the SHKP Subsidiaries	1,719,427,500	84.64%	1,719,427,500	73.37%
No. of Shares held by Other Related Persons	1,743,543	0.09%	3,487,086	0.15%
No. of Shares held by the public	310,312,790	15.28%	620,625,580	26.48%
Total	2,031,483,833	100.00%	2,343,540,166	100.00%

Pursuant to the Articles, the Company may resolve by ordinary resolution to capitalise all or any part of the amount standing to the credit of the Company's share premium account and to apply such amount to pay up in full unissued shares of the Company. The total amount to be capitalised from the share premium account of the Company for the purpose of the Bonus Issue and/or the issue of new Shares upon conversion of all the Convertible Notes will be approximately HK\$203.2 million. On 30 June 2010, the Company had in its account share premium amounting to approximately HK\$2,536 million.

Conditions of the Proposed Bonus Issue

The proposed Bonus Issue is conditional upon, among other things: -

- (i) the approval of the proposed amendments to the Articles for the purpose of the Convertible Notes by the Shareholders by way of special resolution at the forthcoming AGM;
- (ii) the approval of the Bonus Issue and the terms of the Convertible Note by the Shareholders by way of ordinary resolution at the EGM;
- (iii) the approval from the Stock Exchange of the terms of the Convertible Note to be issued;
- (iv) the approval of the issue of (a) the Bonus Shares and the Convertible Notes, (b) new Shares falling to be issued upon conversion of the Convertible Notes or otherwise issued in accordance with the terms of the Deed Poll and (c) further new Shares falling to be issued upon conversion of any further new convertible notes which may be issued by the Company on the same terms and conditions as the Convertible Notes in accordance with the Deed Poll, by the Shareholders by way of ordinary resolution at the EGM; and
- (v) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares and the Shares to be issued upon conversion of the Convertible Note.

Principal terms of the Convertible Note

The principal terms of the Convertible Note are set out below:

Aggregate Amount	Up to HK\$203,148,383.30, in the denomination of HK\$0.10 per unit of the Notes
Conversion Price	HK\$0.10 per Share, subject to adjustment in accordance with the Deed Poll
Mandatory Conversion	On voluntary or involuntary dissolution, liquidation or winding up of the Company, the Convertible Notes will be mandatorily converted into Shares at the Conversion Price

No Redemption

The Convertible Note will not be subject to redemption

Conversion Period

At any time after the issue of the Convertible Notes, and the conversion date will be deemed to be the 30th Stock Exchange Business Day following surrender of the Note certificates by the Noteholder with a notice of conversion and the Noteholder will be deemed to be the holder of the Shares so converted with effect from the aforesaid conversion date

Distributions

The Notes will have no entitlement to interest but

(i) if and whenever the Company shall pay or make any cash dividend or distribution of any kind or any distribution of assets in specie (other than distribution of Shares, debentures or other securities) to its Shareholders (the "Distribution"), the Company shall, subject to compliance with relevant laws, rules, regulations and requirements in Hong Kong and the Cayman Islands, at the same time pay or distribute to each Noteholder an amount of cash or other assets the subject matter of the Distribution which is equal to (i) the amount of cash or other assets the subject matter of the Distribution per Share receivable by the Shareholders under the Distribution, multiplied by (ii) the number of Shares which the Noteholder would have become a holder of, had such Noteholder's Notes then outstanding been converted on the relevant record date for determining entitlement to the Distribution; or

(ii) if and whenever the Company shall issue any Shares, debentures or other securities, credited as fully-paid, out of or by way of capitalisation of its profits or reserves and/or share premium account to its Shareholders (the "Capitalisation Issue"), the Company shall at its option and subject to compliance with relevant laws, rules, regulations and requirements in Hong Kong and the Cayman Islands, issue to each Noteholder either (a) such number of Shares, debentures or securities which is equal to (i) the number of such Shares, debentures or securities receivable by the Shareholders in respect of

each issued Share held by them under the Capitalisation Issue, multiplied by (ii) the number of Shares which the Noteholder would have become a holder of, had such Noteholder's Notes then outstanding been converted on the relevant record date for determining entitlement to the Capitalisation Issue, or (b) further convertible notes on the same terms and conditions as the Convertible Notes in such amount which would on conversion thereof entitle the Noteholders of such convertible notes to such number of Shares as is equal to (i) the number of Shares receivable by the Shareholders in respect of each issued Share held by them under the Capitalisation Issue, multiplied by (ii) the number of Shares which the Noteholder would have become a holder of, had such Noteholder's Notes then outstanding been converted on the relevant record date for determining entitlement to the Capitalisation Issue

Non-transferability

The Convertible Notes may not be transferred or assigned whether in whole or in part in respect of its amount outstanding from time to time

Other Rights

If and whenever the Company shall offer to issue Shares or other securities by way of rights to its Shareholders (the "Rights Issue"), then at the option of the Company and subject to compliance with the relevant laws, rules, regulations and requirements in Hong Kong and the Cayman Islands, the Company shall at the same time offer to each Noteholder for subscription either (a) such number of Shares or securities which is equal to (i) the number of such Shares or securities offered by the Company to the Shareholders in respect of each issued Share held by them under the Rights Issue, multiplied by (ii) the number of Shares which the Noteholder would have become a holder of, had such Noteholder's Notes then outstanding been converted on the relevant record date for determining entitlement to the Rights Issue, or (b) further convertible notes on the same terms and conditions as the Notes in such amount which would on conversion thereof entitle the Noteholders of such convertible notes to such

number of Shares as is equal to (i) the number of Shares offered for subscription by the Shareholders in respect of each issued Share held by the Shareholders under the Rights Issue, multiplied by (ii) the number of Shares which the Noteholder would have become a holder of, had such Noteholder's Notes then outstanding been converted on the relevant record date for determining entitlement to the Rights Issue

Status of the Bonus Shares and Shares issuable upon conversion of the Convertible Notes

The Bonus Shares and the Shares which may fall to be allotted and issued on conversion of the Convertible Notes will rank *pari passu* in all respects with the Shares then in issue on the date of such allotment and issue.

Reasons for the Proposed Bonus Issue

The Company was listed on the GEM in March 2000. Under the GEM Listing Rules then prevailing, the Company was permitted to list with 15% of its issued share capital being held by the public. On 1 July 2008, the GEM Listing Rules were amended to the effect that all GEM issuers are required to meet the new public float requirement of 25% by 30 June 2011.

SUNeVision Group has a strong financial position, the Company has no immediate need to raise capital and to do so will not be considered to be in the interests of the existing Shareholders.

The Board considered a number of options to fulfil the new public float requirement and concluded that the current proposal is in the interests of the Shareholders. The Board does not expect that Shareholders (other than the SHKP Subsidiaries) will elect to receive the Convertible Notes which will be unlisted, non-transferable and irredeemable, and will therefore not be readily tradeable.

Advice and Recommendation from the Financial Adviser

The Board has engaged Anglo Chinese to advise it on addressing the new public float requirement under the GEM Listing Rules, which requires that not less than 25% of the issued share capital of the Company has to be held by the public by 30 June 2011. Anglo Chinese has advised that the proposed Bonus Issue has the following advantages: -

- (i) it preserves the equity interest of all Shareholders who receive the Bonus Shares, and in the case of the SHKP Subsidiaries and any other Shareholders electing to receive the Convertible Notes, their equity interest would be preserved upon conversion of the Convertible Notes;
- (ii) all Shareholders will be treated equally;

- (iii) no capital raising will be required, which would potentially incur significant expenses and may have dilutive effects on existing Shareholders; and
- (iv) it will not be subject to or dependent on market conditions.

Anglo Chinese has advised the Board that it should recommend the public Shareholders NOT to elect to receive the Convertible Notes as they will be non-transferable and unlisted, and therefore they will be untradeable. The Convertible Notes cannot be readily realised other than by converting them into Shares and subsequently selling them. Furthermore, there is no redemption date for the Convertible Notes. On liquidation of the Company, the Convertible Notes automatically convert into Shares and therefore the rights of Noteholders do not have priority over other Shareholders.

SHKP has confirmed that the SHKP Subsidiaries will elect to receive the Convertible Notes. The SHKP Subsidiaries will still remain controlling shareholders of the Company by holding at least 73.37% of the issued share capital of the Company following the Bonus Issue. The SHKP Subsidiaries can thereafter take a different view on holding part of their interest in the Company in the form of Convertible Note. They will still have considerable flexibility in being able to trade part of their current shareholdings, should they so wish, before reducing their shareholdings in the Company to 50% or less. Any such trading can then be replenished by conversion of the corresponding amount of Convertible Notes. Accordingly, the marketability of the Convertible Notes does not have the same significance as it does to public Shareholders. In economic terms, the Convertible Notes have no advantages over the Shares and in terms of rights, it has less than the Shares. No benefit is being conferred on the SHKP Subsidiaries through their election for the Convertible Notes. SHKP has only agreed to procure the SHKP Subsidiaries to elect for the Convertible Notes in order to facilitate the Company's fulfilment of the new public float requirement by 30 June 2011 as required under the GEM Listing Rules.

Furthermore, as stated below, the board lot size of the Shares is to be increased from 500 Shares to 1,000 Shares, thus making the readily tradable value of a board lot similar to that prevailing prior to the last day of dealings in the Shares on a cum-entitlements basis for the Bonus Issue. The effect of electing for the Convertible Notes will be such that holders of a single current board lot of Shares will cease to hold a board lot after the change in board lot size.

Anglo Chinese has advised the Directors to recommend that all Shareholders, other than the SHKP Subsidiaries, NOT to elect to receive the Convertible Notes as doing so will not be in their interests and will defeat the sole objective of the Bonus Issue proposal for the Company to fulfil the new public float requirement by 30 June 2011 as required under the GEM Listing Rules.

Recommendation from the Board

The Board therefore recommends that all Shareholders, other than the SHKP Subsidiaries, NOT to elect to receive the Convertible Notes as the Notes are unlisted, non-transferable and irredeemable and therefore not marketable. There is therefore no benefit to the public Shareholders holding the Convertible Notes. Furthermore, public Shareholders electing to receive the Convertible Notes may jeopardise the objective

of the Bonus Issue proposal for the Company to meet the new public float requirement under the GEM Listing Rules.

No action needs to be taken by Shareholders who wish to receive Bonus Shares. Shareholders will only receive Convertible Notes if they make an election to receive Convertible Notes under an election form which will be despatched to the Shareholders after the proposed Bonus Issue and the Convertible Notes are approved at the EGM.

Closure of Register of Members

The register of members of the Company will be closed from 25 October 2010 to 1 November 2010, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed Bonus Issue, subject to Shareholders' approval at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops no. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 22 October 2010.

Board Lot Size

The Company is proposing to apply to the Stock Exchange to increase the board lot size from 500 Shares to 1,000 Shares following the Bonus Issue to maintain the market value of a board lot at approximately the same value. Details of the arrangements in respect of the trading during the transition to the increased board lot size will be set out in the circular to Shareholders.

General

An ordinary resolution to approve the Bonus Issue and the Convertible Notes will be put forward at the EGM to be held at 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on 1 November 2010 at 12:30 p.m. (or so soon thereafter as the AGM shall have been concluded or adjourned) for approval by the Shareholders. A circular containing, among other things, details of the Bonus Issue, the terms and conditions of the Convertible Notes, details of the trading arrangements during the transition to the increased board lot size and a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

If the Bonus Issue and the Convertible Notes are approved at the EGM, application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares and the Shares to be issued upon conversion of the Convertible Notes.

Proposed Amendments to the Articles

The Board proposes that in order to facilitate the issuance of the Convertible Notes and the future issuance of new Shares or other securities to Noteholders in accordance with the Deed Poll and the terms and conditions of the Convertible Notes, certain amendments will be made to the Articles.

A special resolution to amend the Articles will be put forward at the AGM to be held at 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on 1 November 2010 at 12:00 noon for approval by the Shareholders. Implementation of the Bonus Issue is conditional upon, among other things, the passing of such special resolution. A circular containing, among other things, details of the proposed amendments to the Articles will be despatched to Shareholders as soon as practicable.

Definitions

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“AGM”	the annual general meeting of the Company to be held on 1 November 2010 at 12:00 noon
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, the financial adviser to the Company in relation to proposed the Bonus Issue and is licensed by the Securities and Futures Commission for Type 6 regulated activity (advising on corporate finance)
“Articles”	articles of association of the Company
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bonus Issue”	issue of Bonus Share(s) by the Company on the basis of one (1) Bonus Share for every one (1) existing Share held by the Shareholders whose names appear on the register of members of the Company on the Record Date
“Bonus Share(s)”	new Share(s) to be issued pursuant to the Bonus Issue
“Company”	SUNeVision Holdings Ltd., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Convertible Note(s)” or “Note(s)”	the Convertible Note(s) to be constituted by the Deed Poll and issued by the Company pursuant to the Bonus Issue to Shareholders electing to receive the Note(s) in lieu of the Bonus Shares
“Deed Poll”	the deed poll and any other document (as from time to time altered in accordance with the Deed Poll) to be executed by the Company in order to provide for and

	to protect the rights and interests of the Noteholders
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 1 November 2010 at 12:30 p.m. (or so soon thereafter as the AGM shall have been concluded or adjourned) or any adjournment thereof
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Noteholder(s)”	holder(s) of the Convertible Note(s)
“Other Related Persons”	the directors and chief executives of the Company or any of its subsidiaries and any associate of any of them
“Record Date”	the record date for the purpose of ascertaining the entitlements of the Shareholders to the Bonus Issue, tentatively set to be on or about 1 November 2010
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“SHKP”	Sun Hung Kai Properties Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 16)
“SHKP Subsidiaries”	wholly-owned subsidiaries of SHKP (including their nominees, if any), which are also registered Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Stock Exchange Business Day” any day (other than a Saturday or Sunday) on which the GEM is open for business

“SUNeVision Group” the Company and its subsidiaries

By Order of the Board
SUNEVISION HOLDINGS LTD.
CHAN Kin-chu, Harry
Company Secretary

Hong Kong, 9 September 2010

As at the date of this announcement, the Board of the Company comprises nine Executive Directors, being KWOK Ping-luen, Raymond, KWOK Ping-sheung, Walter, KWOK Ping-kwong, Thomas, TSIM Wing-kit, Alfred, CHAN Kui-yuen, Thomas, SO Chung-keung, Alfred, TUNG Chi-ho, Eric, WONG Chin-wah and SO Wai-kei, Godwin; two Non-Executive Directors, being CHEUNG Wing-yui and SIU Hon Wah, Thomas; and three Independent Non-Executive Directors, being LI On-kwok, Victor, KING Yeo-chi, Ambrose and WONG Kai-man.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.sunevision.com