

2008-2009

First Quarterly Report 第一季度業績報告

Results for the three months ended 30 September 2008

截至 2008 年 9 月 30 日止三個月業績

SUNeVision Holdings Ltd. 新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock code 股份代號: 8008)



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

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The Stock Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, for which the directors (the "Directors") of SUNeVision Holdings Ltd. (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this document is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- SUNeVision continued to be profitable in the first three months of the 2008/09 financial year, recording a profit attributable to equity holders of the Company of HK\$44.3 million for the quarter ended 30 September 2008.
- Revenue for the quarter was HK\$127.1 million, a continuation of the growth trend in financial year 2007/08. The Group's data centre and last-mile connectivity businesses accounted for most of the increase in revenue.
- Other income, which mainly consisted of interest income, was HK\$3.6 million and was lower than the HK\$5.8 million reported in the same period of last financial year primarily as a result of lower interest rates.
- Operating expenditures were HK\$9.3 million, moderately lower than in the same period of last financial year and reflecting continuing energetic cost controls.
- The Group's financial position remains strong, with approximately HK\$480 million of cash and interest-bearing securities on hand.

	Jul to Sep 2008 HK\$'M	Jul to Sep 2007 HK\$'M
Revenue	127.1	92.6
Gross Profit	57.5	43.9
– as a percentage of revenue	45.2%	47.4%
Operating expenditure*	(9.3)	(10.4)
Other income	3.6	5.8
Profit before taxation and minority interests	51.8	39.3
Deferred taxation	(7.1)	(4.7)
Minority interests	(0.4)	0.1
Profit attributable to the Company's shareholders	44.3	34.7

* Selling, general and administrative expenses

CHAIRMAN'S STATEMENT

SUNeVision continued to be profitable in the first three months of the 2008/09 financial year, recording a profit attributable to equity holders of the Company of HK\$44.3 million for the quarter ended 30 September 2008.

Revenue for the quarter was HK\$127.1 million, a continuation of the growth trend in financial year 2007/08. The Group's data centre and last-mile connectivity businesses accounted for most of the increase in revenue. Gross margin for the quarter was at 45 percent translating into gross profit of HK\$57.5 million.

Other income, which mainly consisted of interest income, was HK\$3.6 million and was lower than the HK\$5.8 million reported in the same period of last financial year primarily as a result of lower interest rates. Operating expenditures were HK\$9.3 million, moderately lower than in the same period of last financial year and reflecting continuing energetic cost controls.

Maintained revenue growth and vigilant cost management resulted in profit attributable to equity holders of the Company of HK\$44.3 million, a 27 percent increase over the same period in the last financial year.

The Group's financial position remains strong, with approximately HK\$480 million of cash and interest-bearing securities on hand.

During the quarter, iAdvantage continued to gain new business and renew existing contracts with multinational and local customers. The latest overall data centre occupancy is approximately 85 percent. Other businesses of the Group continued to strengthen their market positions.

Looking ahead, iAdvantage will seek to fill vacancies remaining in its current data centres in Hong Kong and the Mainland as well as explore new opportunities for growth. The Group's consumer enabling and property-related technology businesses will carry on leveraging the parent company's significant relationships. The Group will continue to be cost cautious and manage its businesses prudently in order to strengthen itself against the impacts of the ongoing global economic crisis.

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 November 2008

CHIEF EXECUTIVE OFFICER'S REPORT

OVERVIEW

SUNeVision entered the financial year 2008/09 with a profit attributable to equity holders of the Company of HK\$44.3 million for the quarter ended 30 September 2008, some 27 percent increase over the same period of last financial year. The Group's data centre and other businesses continued to grow from their solid base.

DATA INFRASTRUCTURE

iAdvantage

iAdvantage kept strengthening its market leadership in carrier-neutral data centre services in Hong Kong and the Mainland, gaining new business and renewing existing relationships with multinational and local corporations. Our data centres currently have an overall occupancy of approximately 85 percent.

iAdvantage continues to attract and fulfill the demand of quality customers for data centre facilities and services from the financial services, telecommunications, information technology and public administration sectors. The company continues to seek expansion opportunities to meet market demand.

Super e-Technology

Super e-Technology has successfully been awarded six contracts with a combined worth of over HK\$20 million for the design and installation of security surveillance and SMATV systems at major residential developments during the quarter.

Super e-Technology is actively seeking opportunities in the Asia-Pacific region to further roll out its Super e-Shooter system.

Super e-Network

Super e-Network has further increased its value-added business for the existing wireless LAN infrastructure in shopping malls by offering WIFI service for visitors. The company continues to actively look for new opportunities to stimulate increased broadband usage in residential and commercial properties.

ENABLING SERVICES

SuperHome continued to provide convenient and diversified online services to residential estates while SuperStreets continued to offer competitive mortgage referrals and other property-related services to home buyers. Red-dots Hong Kong serves its user community with its trusted e-commerce and e-auction platforms.

INVESTMENT

The venture capital group stayed with its prudent and conservative approach to investing and continues to evaluate investment opportunities carefully. Funds will only be committed where returns can be reasonably expected and are justifiably attractive.

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

Tsim Wing-kit, Alfred

Acting Chief Executive Officer

Hong Kong, 6 November 2008

QUARTERLY RESULTS

For the period ended 30 September 2008 (Unaudited)

The Board of Directors (the “Board”) of SUNeVision Holdings Ltd. (the “Company” or “SUNeVision”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the three months ended 30 September 2008 together with the comparative unaudited figures for the corresponding period in 2007 as follows:

	Notes	Three months ended 30 September	
		2008 HK\$'000	2007 HK\$'000
Revenue	2	127,075	92,566
Cost of sales		(69,576)	(48,652)
Gross profit		57,499	43,914
Other income		3,632	5,812
Selling expenses		(2,033)	(2,170)
Administrative expenses		(7,207)	(8,274)
Profit before tax		51,891	39,282
Deferred tax expense	3	(7,135)	(4,707)
Profit for the period		44,756	34,575
Attributable to:			
Equity holders of the Company		44,347	34,742
Minority interests		409	(167)
		44,756	34,575
Earnings per share			
Basic	4	2.18 cents	1.71 cents

Notes:

1. Basis of preparation

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

2. Revenue

Revenue represents the aggregate of income from Internet services centres and information technology facilities, installation and maintenance of satellite master antenna television system, communal aerial broadcast distribution, structural cabling and security systems, property rentals and building management services, after elimination of all significant inter-company transactions between group companies.

3. Deferred tax expense

	Three months ended 30 September	
	2008 HK\$'000	2007 HK\$'000
Deferred taxation relating to the origination and reversal of temporary differences	7,135	4,707

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

4. Earnings per share

The calculation of basic earnings per share is based on the unaudited profit attributable to equity holders of the Company for the three months ended 30 September 2008 of HK\$44,347,000 (three months ended 30 September 2007: HK\$34,742,000) and the weighted average number of 2,031,483,833 (three months ended 30 September 2007: 2,031,483,833) shares in issue during the period.

No diluted earnings per share is presented for the three months ended 30 September 2008 and 2007 as 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 periods.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2008 (2007: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 September 2008, the interests or short positions of Directors and chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange 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, pursuant to the required standard of dealings by Directors as referred to in GEM Listing Rules 5.49 to 5.67, to be notified to the Company and the Stock Exchange, were as follows:

1. Long positions in shares and underlying shares of the Company

Name of Director	Number of shares held			Total	Number of underlying shares held under equity derivatives	Total	% of shares in issue
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Other interests				
Kwok Ping-luen, Raymond	-	-	1,742,500 ¹	1,742,500	-	1,742,500	0.08
Kwok Ping-sheung, Walter	-	-	1,070,000 ¹	1,070,000	-	1,070,000	0.05
Kwok Ping-kwong, Thomas	-	-	1,070,000 ¹	1,070,000	-	1,070,000	0.05
Tsim Wing-kit, Alfred	-	-	-	-	50,000 ²	50,000	0
Wong Yick-kam, Michael	100,000	-	-	100,000	-	100,000	0
So Chung-keung, Alfred	-	543	-	543	67,000 ²	67,543	0
Wong Chin-wah	-	-	-	-	70,000 ²	70,000	0
King Yeo-chi, Ambrose	500	-	-	500	-	500	0

Notes:

- Of these shares in the Company, Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas were deemed to be interested in 1,070,000 shares by virtue of being beneficiaries of a certain discretionary trust, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO.
- These represented the interests in the underlying shares of the Company in respect of the share options (being regarded for the time being as unlisted and physically settled equity derivatives) granted by the Company. Details of the share options are set out in the section entitled "Share Option Schemes".

2. Long positions in shares and underlying shares of the associated corporations of the Company

(a) Sun Hung Kai Properties Limited ("SHKP")

Name of Director	Number of shares held				Total	Number of underlying shares held under equity derivatives	Total	% of shares in issue
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Kwok Ping-luen, Raymond	75,000	-	-	1,092,798,895 ¹	1,092,873,895	-	1,092,873,895	42.62
Kwok Ping-sheung, Walter	75,000	-	-	1,091,605,522 ¹	1,091,680,522	-	1,091,680,522	42.57
Kwok Ping-kwong, Thomas	1,976,281	304,065	-	1,089,655,214 ¹	1,091,935,560	-	1,091,935,560	42.58
Chan Kui-yuen, Thomas	-	66,000	126,500 ²	-	192,500	-	192,500	0
Wong Yick-kam, Michael	145,904	-	-	-	145,904	-	145,904	0
So Chung-keung, Alfred	189,985	6,500	-	-	196,485	-	196,485	0

Notes:

- Of these shares in SHKP, Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas were deemed to be interested in 1,069,621,347 shares by virtue of being beneficiaries of certain discretionary trusts, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO.
- These shares were held by a company which obliged to act in accordance with the instructions of Mr. Chan Kui-yuen, Thomas.

2. Long positions in shares and underlying shares of the associated corporations of the Company (Continued)

(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
	Family interests (interests of spouse or child under 18)	Other interests	Total			
Kwok Ping-luen, Raymond	-	2,237,767 ¹	2,237,767	-	2,237,767	0.39
Li On-kwok, Victor	5,000	-	5,000	-	5,000	0

Note:

- Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in SmarTone by virtue of being beneficiary of a certain discretionary trust for the purposes of the SFO.
- (c) Each of Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas had the following interests in shares of the following associated corporations:

Name of associated corporation	Attributable holding through corporation	Attributable % of shares in issue through corporation	Actual holding through corporation	Actual % interests in issued shares
Splendid Kai Limited	2,500	25	1,500 ¹	15
Hung Carom Company Limited	25	25	15 ¹	15
Tinyau Company Limited	1	50	1 ¹	50
Open Step Limited	8	80	4 ¹	40

Note:

- Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas were deemed to be interested in these shares, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO. These shares were held by corporations under a certain discretionary trust, in which Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas were deemed to be interested by virtue of being beneficiaries for the purpose of the SFO.

2. Long positions in shares and underlying shares of the associated corporations of the Company *(Continued)*

Save as disclosed above, as at 30 September 2008, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests 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, pursuant to the required standard of dealings by Directors as referred to in GEM Listing Rules 5.49 to 5.67, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEMES

1. Share Option Schemes of the Company

The Company had adopted a share option scheme (the “Old Share Option Scheme”), the principal terms of which were summarised in the section headed “Statutory and General Information Share Option Schemes” in Appendix 5 to the Company’s prospectus dated 6 March 2000. By ordinary shareholders’ resolutions passed at the annual general meeting held on 3 December 2002, the Company had adopted another share option scheme (the “New Share Option Scheme”) and terminated the Old Share Option Scheme. These have become effective on 5 December 2002 as a result of the passing of ordinary resolutions approving the same by the shareholders of SHKP, the Company’s holding company, at its general meeting held on the same day.

(A) Old Share Option Scheme

Since the adoption of the Old Share Option Scheme, the Company had granted four lots of share options. All of the share options, of which the exercise prices are at HK\$10.38 per share, HK\$3.885 per share, HK\$2.34 per share and HK\$1.43 per share, expired at the close of business on 30 December 2005, 14 November 2006, 19 March 2007 and 7 July 2008 respectively. No further options may be offered under the Old Share Option Scheme.

(B) New Share Option Scheme

The Company had granted two lots of share options under the New Share Option Scheme since its adoption.

The options at the exercise price of HK\$1.59 per share may be exercised in accordance with the terms of the relevant scheme as to:

- (a) an amount up to one-third of the grant within three years commencing on 29 November 2004;
- (b) the remaining amount but up to two-thirds of the grant within three years commencing on 29 November 2005; and
- (c) the remaining amount within three years commencing on 29 November 2006.

The options will expire at the close of business on 28 November 2009.

The options at the exercise price of HK\$1.41 per share may be exercised in accordance with the terms of the relevant scheme in full at any time within three years from 10 November 2005 and the options will expire at the close of business on 9 November 2008.

During the three months ended 30 September 2008, no share options were granted under the New Share Option Scheme.

(C) Share options granted to the Directors

The following shows the outstanding positions of the Directors as at 30 September 2008 with respect to their share options granted under the New Share Option Scheme:

Name of Director	Date of grant	Exercise price HK\$	Number of share options				Balance as at 30.9.2008
			Balance as at 1.7.2008	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Tsim Wing-kit, Alfred	29.11.2003	1.59	50,000	-	-	-	50,000
So Chung-keung, Alfred	29.11.2003	1.59	67,000	-	-	-	67,000
Wong Chin-wah	29.11.2003	1.59	70,000	-	-	-	70,000

2. Share Option Schemes of iAdvantage Limited (“iAdvantage”)

In addition to the Old Share Option Scheme and the New Share Option Scheme, the Group operates another share option scheme which was approved for iAdvantage, a wholly-owned subsidiary of the Company, allowing the Board of Directors of the Company the right to grant to the full-time employees and executive directors of iAdvantage or any of its subsidiaries options to subscribe for shares of iAdvantage in aggregate up to 10% of its issued capital from time to time (the “iAdvantage Share Option Scheme”). The exercise period of any options granted under the iAdvantage Share Option Scheme shall commence on the date of grant of the option and expire on such date as determined by the board of directors of iAdvantage or 28 February 2010, whichever is the earlier, and subject to the provisions for early termination contained therein. No share options have been granted to any person under the iAdvantage Share Option Scheme since its adoption.

3. Arrangement to purchase shares or debentures

Other than the Schemes as mentioned above, at no time during the three months ended 30 September 2008 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2008, the long positions of every person, other than a Director or chief executive of the Company, in the shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name	Total number of shares	% of shares in issue
Sunco Resources Limited ¹ ("Sunco")	1,713,613,500	84.35
SHKP ²	1,713,613,500	84.35
HSBC International Trustee Limited ³ ("HSBCIT")	1,717,623,249	84.55

Notes:

1. Sunco is the beneficial owner of the 1,713,613,500 shares.
2. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the SFO.
3. HSBCIT is deemed to have interest in the 1,713,613,500 shares of the Company held by SHKP for the purpose of the SFO. Of the shares in SHKP in which HSBCIT was interested, 1,069,621,347 shares were the shares referred to in Note 1 to sub-section 2(a) of the section entitled "Directors' and Chief Executive's Interests".

Save as disclosed above, as at 30 September 2008, no other shareholders or other persons had interest or short positions in the shares, underlying shares and debentures of the Company which are required to be entered into the register kept by the Company pursuant to section 336 of the SFO or, was directly or indirectly, interested in 5% or more of the shares then in issue and was able, as a practical matter, to direct or influence the management of the Company.

INTERESTS IN COMPETING BUSINESS

Professor Li On-kwok, Victor, an Independent Non-Executive Director of the Company, is a well recognized leader in the field of information technology development and has been appointed to various positions including consultants and directors to institutions and business entities which are engaged in research, development and business. These institutions and business entities may be in competition with the Group.

Save as disclosed in this section, none of the Directors or the management shareholders of the Company or their respective associates as defined in the GEM Listing Rules have any interest in any business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Audit Committee has four members comprising three Independent Non-Executive Directors, Mr. Wong Kai-man (Chairman of the Committee), Professor Li On-kwok, Victor and Professor King Yeo-chi, Ambrose and one Non-Executive Director, Mr. Cheung Wing-yui, with terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the draft of this Report for the three months ended 30 September 2008 and has provided advice and comments thereon.

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

During the three months ended 30 September 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board

Kwok Ping-luen, Raymond
Chairman

Hong Kong, 6 November 2008

As at the date of this document, 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, WONG Yick-kam, Michael, SO Chung-keung, Alfred, TUNG Chi-ho, Eric and WONG Chin-wah; one Non-Executive Director, being CHEUNG Wing-yui; and three Independent Non-Executive Directors, being LI On-kwok, Victor, KING Yeo-chi, Ambrose and WONG Kai-man.

www.sunevision.com



SUNeVision Holdings Ltd.
新意網集團有限公司

MEGATOP, Mega-iAdvantage, 399 Chai Wan Road, Chai Wan, Hong Kong
香港柴灣柴灣道399號 MEGATOP, Mega-iAdvantage