

# 2008-2009

## Half-year Report 半年度業績報告

Results for the six months ended 31 December 2008

截至 2008 年 12 月 31 日止六個月業績

### 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)



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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.

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## HIGHLIGHTS

- SUNeVision continued profitable in the first half of the financial year 2008/09, recording a net profit of HK\$73.8 million for the six months ended 31 December 2008, representing approximately 8% increase over the corresponding period in the previous financial year.
- Turnover in the first half of the financial year 2008/09 was HK\$261.7 million, HK\$72.1 million higher than in the same period of the previous financial year. The Group's data centre and last-mile connectivity businesses remained the major revenue contributors.
- Other income, mainly made up of interest income, was HK\$6.9 million. This was lower than the HK\$10.9 million reported in the same period of the previous financial year, primarily due to lower interest rates.
- The Group's financial position remains strong, with approximately HK\$400 million of cash and interest-bearing securities on hand.

	<b>Jul to Dec 2008 HK\$'M</b>	Jul to Dec 2007 HK\$'M
Revenue	<b>261.7</b>	189.6
Gross profit	<b>120.2</b>	88.5
– as a % of revenue	<b>46.0%</b>	46.7%
Operating expenditures*	<b>(18.6)</b>	(21.3)
Other income	<b>6.9</b>	10.9
Impairment loss on equity technology investments	<b>(18.8)</b>	–
Profit before taxation and minority interests	<b>89.7</b>	78.1
Deferred tax expense	<b>(15.1)</b>	(10.2)
Minority interests	<b>(0.8)</b>	0.5
Profit attributable to the Company's shareholders	<b>73.8</b>	68.4

\* Selling, general and administrative expenses

## CHAIRMAN'S STATEMENT

SUNeVision continued profitable in the first half of the financial year 2008/09, recording a net profit of HK\$73.8 million for the six months ended 31 December 2008.

Turnover in the first half of the financial year 2008/09 was HK\$261.7 million, HK\$72.1 million higher than in the same period of the previous financial year, reflecting the Group's capabilities to build on the favourable trends of the previous financial year 2007/08. The Group's data centre and last-mile connectivity businesses remained the major revenue contributors. Gross margin for the period was 46%, the same as had been achieved in the previous financial year.

Other income, mainly made up of interest income, was HK\$6.9 million. This was lower than the HK\$10.9 million reported in the same period of the previous financial year, primarily due to lower interest rates. Continuing cost controls helped to keep operating expenditures down to HK\$18.6 million, moderately lower than in the corresponding period of the previous financial year.

During the period under review, the Group appraised its equity technology investments and they were revalued on 31 December 2008, with impairments of HK\$18.8 million being made. This reflected prevailing market conditions and a prudent and conservative view of the investments concerned. As of 31 December 2008, their value stood at HK\$31.5 million.

After allowing for the effect of impairments on equity technology investments, profit attributable to equity holders of the Company was HK\$73.8 million, representing approximately 8% increase over the corresponding period in the previous financial year.

The Group's financial position remains strong, with approximately HK\$400 million of cash and interest-bearing securities on hand.

During the period under review, iAdvantage continued to deliver its committed projects, worked diligently to bring in fresh business, and renewed existing relationships with multinational and local firms. Overall data centre occupancy at the end of the period was approximately 80 percent. Other Group businesses continued to strengthen their market positions.

In the second half of the financial year, iAdvantage will actively continue to explore new prospects in order to fill its data centres. The Group's last-mile connectivity and consumer enabling businesses will carry on leveraging the parent company's significant relationships. The Group will continue to be cost cautious and manage its business prudently in order to strengthen itself against the impacts of the ongoing global economic crisis.

The Group will consider a dividend payment to shareholders at the end of the financial year and will seek to improve upon the previous year's performance.

I would like to thank the board, management, and every member of staff for their dedicated and hard work, and our shareholders for their continued confidence and support.

**Kwok Ping-luen, Raymond**  
Chairman

Hong Kong, 5 February 2009

## CHIEF EXECUTIVE OFFICER'S REPORT

### Overview

SUNeVision generated a profit attributable to equity holders of the Company of HK\$73.8 million for the six months ended 31 December 2008, showing an increase of approximately 8% comparing to the same period of the previous financial year.

### Business Review

#### Data Infrastructure

##### *iAdvantage*

iAdvantage maintained its market leadership position in carrier-neutral data centre services in Hong Kong. Leveraging on its solid base, iAdvantage gained new businesses and renewed existing relationships with multinational and local corporations. Our data centres were approximately 80% occupied as at period end.

iAdvantage continues to explore new business opportunities and fulfill the demand of quality customers for data centre facilities and services from the financial services, telecommunications, information technology and public administration sectors.

##### *Super e-Technology*

Super e-Technology has successfully secured 10 contracts with a combined worth of over HK\$23 million for the design and installation of security surveillance and SMATV systems at major residential and commercial developments.

##### *Super e-Network*

Super e-Network has successfully deployed 2 sites for the value-added business of the existing wireless LAN infrastructure in shopping malls for the provision of WIFI services to visitors.

In addition to renewing contracts for broadband network and services, the company continues exploring new opportunities to expand broadband deployment and related services to different customer segments.

#### Enabling Services

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

## Investment

During the period, the Group reviewed its equity technology investments and impairments of HK\$18.8 million were made to certain investments reflecting prevailing market condition and a prudent and conservative view of the investments concerned. As of 31 December 2008 the value of the Group's equity technology investments stood at HK\$31.5 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 practises prudent financial management and has a strong balance sheet, with ample liquidity and financial resources. The Group has cash and interest-bearing securities of approximately HK\$400 million. The Group's gearing as of the same date (calculated on the basis of net debt to shareholders' funds), was zero.

As of 31 December 2008, the Company had contingent liabilities in respect of guarantees for general banking facilities utilised by group subsidiaries and other guarantees in the aggregate amount of HK\$105 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 31 December 2008, the Group had not pledged any of its assets, and there were no material acquisitions or disposals of subsidiaries or affiliated companies during the period under review.

There have been no material changes in the composition of the Group's equity technology investment portfolio since 30 June 2008.

## Employees

As of 31 December 2008 the Group had 187 full-time employees. The Group is keen to motivate and retain talent and continues to offer career progression opportunities and hold periodical review on compensation to recognise 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 recognise 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' capabilities. The Group also offers a share-option scheme to recognise employees who make significant contributions, particulars of which are set out in the relevant sections of this report.

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

**Tsim Wing-kit, Alfred**  
Chief Executive Officer

Hong Kong, 5 February 2009

**CONSOLIDATED INCOME STATEMENT***For the three and six months ended 31 December 2008*

	NOTES	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
		2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Revenue		<b>134,638</b>	97,037	<b>261,713</b>	189,603
Cost of sales		<b>(71,839)</b>	(52,409)	<b>(141,415)</b>	(101,061)
Gross profit		<b>62,799</b>	44,628	<b>120,298</b>	88,542
Other income	3	<b>3,275</b>	5,098	<b>6,907</b>	10,910
Selling expenses		<b>(1,833)</b>	(1,680)	<b>(3,866)</b>	(3,850)
Administrative expenses		<b>(7,536)</b>	(9,183)	<b>(14,743)</b>	(17,457)
Impairment loss on equity technology investments		<b>(18,837)</b>	–	<b>(18,837)</b>	–
Profit before tax		<b>37,868</b>	38,863	<b>89,759</b>	78,145
Deferred tax expense	4	<b>(7,968)</b>	(5,517)	<b>(15,103)</b>	(10,224)
Profit for the period	5	<b>29,900</b>	33,346	<b>74,656</b>	67,921
Attributable to:					
Equity holders of the Company		<b>29,504</b>	33,700	<b>73,851</b>	68,442
Minority interests		<b>396</b>	(354)	<b>805</b>	(521)
		<b>29,900</b>	33,346	<b>74,656</b>	67,921
Earnings per share – Basic	6	<b>1.45 cents</b>	1.66 cents	<b>3.64 cents</b>	3.37 cents

**CONSOLIDATED BALANCE SHEET**

At 31 December 2008

	NOTES	(Unaudited) 31 December 2008 HK\$'000	(Audited) 30 June 2008 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>958,893</b>	932,000
Property, plant and equipment	7	<b>1,188,089</b>	1,118,449
Investments	8	<b>77,656</b>	106,576
		<b>2,224,638</b>	2,157,025
<b>CURRENT ASSETS</b>			
Investments	8	–	38,803
Inventories		<b>5,634</b>	6,738
Trade and other receivables	9	<b>59,793</b>	65,367
Amounts due from customers for contract work		<b>6,040</b>	9,116
Bank balances and deposits		<b>389,676</b>	328,306
		<b>461,143</b>	448,330
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>200,502</b>	142,850
Deferred revenue		<b>21,897</b>	19,740
		<b>222,399</b>	162,590
<b>NET CURRENT ASSETS</b>			
		<b>238,744</b>	285,740
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>2,463,382</b>	2,442,765
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>105,090</b>	89,986
Deferred revenue		<b>107,351</b>	77,808
Amounts due to minority shareholders of subsidiaries		<b>2,843</b>	5,421
		<b>215,284</b>	173,215
		<b>2,248,098</b>	2,269,550



**CONSOLIDATED BALANCE SHEET (Continued)**

At 31 December 2008

<i>NOTES</i>	<b>(Unaudited) 31 December 2008 HK\$'000</b>	(Audited) 30 June 2008 HK\$'000
CAPITAL AND RESERVES		
Share capital	<b>203,148</b>	203,148
Reserves	<b><u>2,028,556</u></b>	<u>2,053,231</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	<b>2,231,704</b>	2,256,379
MINORITY INTERESTS	<b><u>16,394</u></b>	<u>13,171</u>
TOTAL EQUITY	<b><u>2,248,098</u></b>	<u>2,269,550</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2008

	2008									
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Property revaluation reserve HK\$'000	Investments revaluation reserve HK\$'000	Share-based payment transactions reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 July 2008	203,148	2,536,033	1,901	98	(1,794)	412	(483,419)	2,256,379	13,171	2,269,550
Change in fair value of investments	-	-	-	-	(16,458)	-	-	(16,458)	-	(16,458)
Exchange differences arising from translation of operations outside Hong Kong	-	-	(25)	-	-	-	-	(25)	(32)	(57)
Net expenses recognised directly in equity	-	-	(25)	-	(16,458)	-	-	(16,483)	(32)	(16,515)
Release upon redemption of investments	-	-	-	-	(680)	-	1,370	690	-	690
Transfer to income statement upon recognition of impairment of available-for-sale investments	-	-	-	-	18,837	-	-	18,837	-	18,837
Profit for the period	-	-	-	-	-	-	73,851	73,851	805	74,656
Total recognised income and expenses for the period	-	-	(25)	-	1,699	-	75,221	76,895	773	77,668
Final dividend paid	-	-	-	-	-	-	(101,574)	(101,574)	-	(101,574)
Cancellation of share options	-	-	-	-	-	(102)	102	-	-	-
Release upon disposal of subsidiaries	-	-	4	-	-	-	-	4	2,450	2,454
At 31 December 2008	203,148	2,536,033	1,880	98	(95)	310	(509,670)	2,231,704	16,394	2,248,098

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)**

For the six months ended 31 December 2008

	2007									
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Property revaluation reserve HK\$'000	Investments revaluation reserve HK\$'000	Share-based payment transactions reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 July 2007	203,148	2,536,033	930	98	32,625	487	(653,645)	2,119,676	6,791	2,126,467
Change in fair value of investments	-	-	-	-	(3,773)	-	-	(3,773)	-	(3,773)
Exchange differences arising from translation of operations outside Hong Kong	-	-	372	-	-	-	-	372	312	684
Net income and expense recognised directly in equity	-	-	372	-	(3,773)	-	-	(3,401)	312	(3,089)
Release upon disposal of investments	-	-	-	-	(161)	-	-	(161)	-	(161)
Profit for the period	-	-	-	-	-	-	68,442	68,442	(521)	67,921
Total recognised income and expense for the period	-	-	372	-	(3,934)	-	68,442	64,880	(209)	64,671
Final dividend paid	-	-	-	-	-	-	(91,417)	(91,417)	-	(91,417)
Cancellation of share options	-	-	-	-	-	(37)	37	-	-	-
At 31 December 2007	203,148	2,536,033	1,302	98	28,691	450	(676,583)	2,093,139	6,582	2,099,721

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT***For the six months ended 31 December 2008*

	<b>(Unaudited)</b> <b>Six months ended</b> <b>31 December</b>	
	<b>2008</b> <b>HK\$'000</b>	2007 <i>HK\$'000</i>
Net cash from operating activities	<b>238,714</b>	163,705
Net cash used in investing activities	<b>(75,604)</b>	(53,299)
Net cash used in financing activities	<b>(101,702)</b>	(91,417)
Net increase in cash and cash equivalents	<b>61,408</b>	18,989
Cash and cash equivalents at 1 July	<b>328,306</b>	256,751
Effect of foreign exchange rate changes	<b>(38)</b>	144
Cash and cash equivalents at 31 December	<b>389,676</b>	275,884

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1. Basis of Preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of Chapter 18 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. They have been prepared on the historical cost basis except for investment properties and certain financial investments, which are measured at fair values.

The principal accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2008. The financial statements are unaudited but have been reviewed by the Audit Committee.

### 2. 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 investment properties which generate rental and other related income.

## 2. Business and Geographical Segments (Continued)

### Business segments (Continued)

Segment information about these businesses is presented below:

For the six months ended 31 December 2008

	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	192,132	46,949	22,632	–	261,713
Inter-segment	1,493	835	1,067	(3,395)	–
Total	<u>193,625</u>	<u>47,784</u>	<u>23,699</u>	<u>(3,395)</u>	<u>261,713</u>
RESULTS					
Segment results	<u>81,347</u>	<u>9,994</u>	<u>16,912</u>	<u>–</u>	<u>108,253</u>
Unallocated corporate expenses					(6,060)
Interest income					7,093
Loss on redemption of debt securities					(690)
Impairment loss on equity technology investments					<u>(18,837)</u>
Profit before tax					89,759
Deferred tax expense					<u>(15,103)</u>
Profit for the period					<u>74,656</u>

## 2. Business and Geographical Segments (Continued)

### Business segments (Continued)

For the six months ended 31 December 2007

	Internet services centre and IT facilities <i>HK\$'000</i>	SMATV, CABD, structural cabling and security systems <i>HK\$'000</i>	Properties holding <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
External	126,607	40,549	22,447	–	189,603
Inter-segment	967	436	1,067	(2,470)	–
Total	<u>127,574</u>	<u>40,985</u>	<u>23,514</u>	<u>(2,470)</u>	<u>189,603</u>
RESULTS					
Segment results	<u>47,444</u>	<u>9,572</u>	<u>18,522</u>	<u>–</u>	75,538
Unallocated corporate expenses					(7,189)
Interest income					9,639
Gain on disposal of investments					157
Profit before tax					78,145
Deferred tax expense					<u>(10,224)</u>
Profit for the period					<u>67,921</u>

Inter-segment sales are charged at prevailing market rates.

### Geographical segments

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

**3. Other Income**

	<b>Six months ended 31 December</b>	
	<b>2008 HK\$'000</b>	2007 HK\$'000
Interest income	7,093	9,639
(Loss) gain on redemption /disposal of investments	(690)	157
Miscellaneous	504	1,114
	<b>6,907</b>	<b>10,910</b>

**4. Deferred Tax Expense**

	<b>Six months ended 31 December</b>	
	<b>2008 HK\$'000</b>	2007 HK\$'000
Taxation relating to origination and reversal of temporary differences	<b>15,103</b>	<b>10,224</b>

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.

**5. Profit for the Period**

	<b>Six months ended 31 December</b>	
	<b>2008 HK\$'000</b>	2007 HK\$'000
Profit for the period has been arrived at after charging: Depreciation of property, plant and equipment	<b>38,786</b>	<b>27,065</b>

**6. 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 and six months ended 31 December 2008 of HK\$29,504,000 and HK\$73,851,000 (three months and six months ended 31 December 2007: HK\$33,700,000 and HK\$68,442,000) and the weighted average number of 2,031,483,833 and 2,031,483,833 (three months and six months ended 31 December 2007: 2,031,483,833 and 2,031,483,833) ordinary shares in issue during the periods.

No diluted earnings per share is presented for the three months and six months ended 31 December 2008 and 2007 as the exercise price of the Company's share options was higher than the average market price of the shares of the Company during the periods.

**7. Property, Plant and Equipment**

During the period, additions to fixed assets amounted to HK\$108,473,000 and net book value of fixed assets disposed amounted to HK\$21,000.



**8. Investments**

	<b>31 December 2008 HK\$'000</b>	30 June 2008 HK\$'000
Available-for-sale:		
Debt securities	<b>46,137</b>	98,195
Equity technology investments	<b>31,519</b>	47,184
	<b>77,656</b>	145,379
Carrying amount analysed for reporting purpose as:		
Current (debt securities maturing within one year)	–	38,803
Non-current	<b>77,656</b>	106,576
	<b>77,656</b>	145,379

**9. Trade and Other Receivables**

Included in trade and other receivables are trade receivables of HK\$46,002,000 (as at 30 June 2008: HK\$46,503,000), of which 92% aged less than 60 days, 6% between 61 to 90 days and 2% more than 90 days (as at 30 June 2008: 88%, 7% and 5% respectively).

The Group allows an average credit period of 30 days to its trade customers.

**10. Trade and Other Payables**

Included in trade and other payables are trade payables of HK\$34,404,000 (as at 30 June 2008: HK\$3,094,000), of which 99% aged less than 60 days and 1% more than 60 days (as at 30 June 2008: 99% and 1% respectively).

**11. Deferred revenue**

Lump sum amounts for the set-up of facilities in respect of operating leases of Internet services centre and IT facilities are treated as deferred revenue which is taken to the income statement over the lease terms.

## 12. Related Party Transactions

During the period, the Group had significant transactions with certain related parties as follows:

(A) Transactions with Sun Hung Kai Properties Group

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	<i>HK\$'000</i>
Advertising and e-commerce income	<b>872</b>	1,537
Income from installation, operation and provision of cable networking	<b>17,720</b>	15,023
Income from maintenance and repair of network infrastructure and security systems	<b>25,470</b>	22,602
Non-core value added service income	<b>264</b>	103
Space and rack rental income	<b>1,124</b>	446
Cable and network rental charges	<b>398</b>	398
Estate agency fees paid	<b>571</b>	595
Insurance service charges paid	<b>618</b>	510
Maintenance and repair charges of network infrastructure and security systems	<b>1,508</b>	1,164
Management fee charges	<b>1,000</b>	1,000
Network infrastructure and security systems installation charges	<b>817</b>	166
Outsourcing fee paid	<b>480</b>	480
Property management service fees paid	<b>4,763</b>	4,378
Rent paid	<b>3,090</b>	3,165
Technical service charge paid	<b>727</b>	397

(B) Transaction with a director

During the period, the Group paid professional fees of HK\$80,000 (2007: Nil) to Messrs. Woo, Kwan, Lee & Lo, a firm of solicitors which provided day to day professional services to the Group. Mr. Cheung Wing Yui, a director of the Company, is a consultant of Messrs. Woo, Kwan, Lee & Lo.

(C) Compensation of key management personnel

Fees, salaries and other benefits paid and payable by the Group to the key management personnel during the period amounted to HK\$1,381,000 (2007: HK\$2,466,000).

**13. Capital Commitments**

	<b>31 December 2008 HK\$'000</b>	30 June 2008 HK\$'000
Contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	<b><u>56,598</u></b>	<u>85,729</u>

**14. Contingent Liabilities**

As at 31 December 2008, the Company had contingent liabilities in respect of guarantees for general banking facilities utilized by group subsidiaries and other performance guarantees in the aggregate of HK\$105 million (as at 30 June 2008: HK\$105 million).

## DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2008 (2007: Nil).

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 December 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 <sup>1</sup>	1,742,500	-	1,742,500	0.08
Kwok Ping-sheung, Walter	-	-	1,070,000 <sup>1</sup>	1,070,000	-	1,070,000	0.05
Kwok Ping-kwong, Thomas	-	-	1,070,000 <sup>1</sup>	1,070,000	-	1,070,000	0.05
Tsim Wing-kit, Alfred	-	-	-	-	50,000 <sup>2</sup>	50,000	0
Wong Yick-kam, Michael	100,000	-	-	100,000	-	100,000	0
So Chung-keung, Alfred	-	543	-	543	67,000 <sup>2</sup>	67,543	0
Wong Chin-wah	-	-	-	-	70,000 <sup>2</sup>	70,000	0
King Yeo-chi, Ambrose	500	-	-	500	-	500	0

Notes:

1. 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.
2. 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	-	-	1,100,571,895 <sup>1</sup>	1,100,646,895	-	1,100,646,895	42.92
Kwok Ping-sheung, Walter	75,000	-	-	1,099,378,522 <sup>1</sup>	1,099,453,522	-	1,099,453,522	42.87
Kwok Ping-kwong, Thomas	1,976,281	304,065	-	1,097,428,214 <sup>1</sup>	1,099,708,560	-	1,099,708,560	42.88
Chan Kui-yuen, Thomas	-	66,000	126,500 <sup>2</sup>	-	192,500	-	192,500	0
Wong Yick-kam, Michael	165,904	-	-	-	165,904	-	165,904	0
So Chung-keung, Alfred	189,985	6,500	-	-	196,485	-	196,485	0

Notes:

1. 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 1,077,394,347 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.
2. These shares were held by a company which obliged to act in accordance with the instructions of Mr. Chan Kui-yuen, Thomas.

## (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 <sup>1</sup>	2,237,767	-	2,237,767	0.41
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 <sup>1</sup>	15
Hung Carom Company Limited	25	25	15 <sup>1</sup>	15
Tinyau Company Limited	1	50	1 <sup>1</sup>	50
Open Step Limited	8	80	4 <sup>1</sup>	40

Note:

- 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.

Save as disclosed above, as at 31 December 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 expired at the close of business on 9 November 2008.

During the six months ended 31 December 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 31 December 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 31.12.2008
			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



## (D) Share options granted to the employees of the Company

A summary of the movements during the six months ended 31 December 2008 of the share options granted under the New Share Option Scheme to the employees of the Company working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance, other than the Directors and chief executive of the Company as disclosed above, is set out below:

Date of grant	Exercise Price HK\$	Number of share options				Balance as at 31.12.2008
		Balance as at 1.7.2008	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
29.11.2003	1.59	216,667	-	-	-	216,667

Other than the participants as stated above, the Company has not granted since the adoption of the Old Share Option Scheme and the New Share Option Scheme any share options to any other persons as required to be disclosed under GEM Listing Rule 23.07.

## 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 six months ended 31 December 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 31 December 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 <sup>1</sup> ("Sunco")	1,713,613,500	84.35
SHKP <sup>2</sup>	1,713,613,500	84.35
HSBC International Trustee Limited <sup>3</sup> ("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, 1,077,394,347 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 31 December 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 six months ended 31 December 2008 and has provided advice and comments thereon.

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

During the six months ended 31 December 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company adopted the required standard of dealings set out in GEM Listing Rules 5.48 to 5.67 as the code of conduct regarding Directors' securities transactions in securities of the Company. Upon the Company's specific enquiry, each Director has confirmed that during the six months ended 31 December 2008, he has complied with the required standard of dealings.

## CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 31 December 2008, the Company has complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

On behalf of the Board

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

Hong Kong, 5 February 2009

*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-king, 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](http://www.sunevision.com)



**SUNeVision Holdings Ltd.**  
**新意網集團有限公司**

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