



# 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)



## 2009 - 2010

Half - year Report

半年度業績報告

Results for the six months ended 31 December 2009  
截至2009年12月31日止六個月業績



The technology arm of Sun Hung Kai Properties

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

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*This Report, 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 Report 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 Report misleading; and (iii) all opinions expressed in this Report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*





## HIGHLIGHTS

- SUNeVision sustained profitability in the first half of the 2009/10 financial year, reporting a profit attributable to equity holders of the Company of HK\$174.1 million for the six months ended 31 December 2009
- Revenue for the Group has improved modestly by HK\$8.4 million compared with the same period of the previous financial year to HK\$270.1 million
- Other income, being income in addition to revenue from operations, was HK\$17.9 million. This was substantially higher than in the same period of the previous financial year because of certain one-off gains on disposals of non-core equity technology investments and improved interest income
- Completion of the disposal of two floors of Kodak House II in October 2009 resulted in a capital gain of HK\$40.7 million
- The Group's financial position remains strong, with approximately HK\$915 million of cash and interest-bearing securities on hand

	<b>Jul to Dec 2009 HK\$'M</b>	Jul to Dec 2008 HK\$'M
Revenue	<b>270.1</b>	261.7
Gross profit — as a % of revenue	<b>130.1 48%</b>	120.2 46%
Other income	<b>17.9</b>	6.9
Operating expenditures*	<b>(16.3)</b>	(18.6)
Profit from operations	<b>131.7</b>	108.5
Gain on disposal of investment properties	<b>40.7</b>	—
Impairment loss on equity technology investments	—	(18.8)
Profit before taxation and minority interests	<b>172.4</b>	89.7
Taxation credit (charge)	<b>1.7</b>	(15.1)
Minority interests	—	(0.8)
Profit attributable to equity holders of the Company	<b>174.1</b>	73.8

\* Selling, general and administrative expenses



## CHAIRMAN'S STATEMENT

SUNeVision sustained its profitability in the first half of the 2009/10 financial year, reporting a profit attributable to equity holders of the Company of HK\$174.1 million for the six months ended 31 December 2009.

Profit from operations during this period was HK\$131.7 million, an improvement of HK\$23.1 million over the same period of the last financial year. A one-time gain of HK\$40.7 million arose from the completion of the disposal of two floors in Kodak House II to an independent third party in October 2009.

Revenue for the Group improved modestly by HK\$8.4 million compared with the same period of the previous financial year, reaching HK\$270.1 million, and contributions from the Group's data centre and last-mile connectivity businesses accounted for most of this increase. Continuing the trend noted in the 2008/09 financial year, gross margin for the period has improved to 48%.

Other income, being income in addition to revenue from operations, was HK\$17.9 million. This was substantially higher than in the same period of the previous financial year because of certain one-off gains on disposals of non-core equity technology investments and improved interest income from the Group's investments in interest-bearing securities.

The Group continues to vigilantly manage its operating expenditures which were at HK\$16.3 million, moderately lower than in the corresponding period of the previous financial year.

Operating profitability has improved, thanks to stable revenues and effective cost management. The Group has further benefited from the one-off disposal gains on investments and the capital gain on the Kodak House II disposal referred to above.

The Group's financial position remains strong, with approximately HK\$915 million of cash and interest-bearing securities on hand.

iAdvantage continued to sign up new businesses and successfully renewed its existing relationships with multinational and local customers. Overall data centre occupancy at the end of the period was approximately 77%. Other Group businesses continued to deliver quality services to their customers during the period.

In the second half of the financial year, iAdvantage will seek to fill its data centres in Hong Kong and the Mainland and explore new opportunities for growth. The Group's property-related technology and other businesses will carry on leveraging the parent company's wide array of valuable relationships. The Group will continue to manage its businesses prudently.

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

**Kwok Ping-luen, Raymond**

*Chairman*

Hong Kong, 4 February 2010



## CHIEF EXECUTIVE OFFICER'S REPORT

### Overview

SUNeVision reported a profit attributable to equity holders of the Company of HK\$174.1 million for the six months ended 31 December 2009, reflecting improvements in the Group's operating profitability as well as certain one-time investment gains and the capital gain on disposal of the two floors of Kodak House II.

### Business Review

#### iAdvantage

As a major operator of carrier-neutral data centre services in Hong Kong, iAdvantage continues its full commitments to customers' stringent technical and service requirements. Our data centres were approximately 77% occupied as at the period end.

iAdvantage has solid experience and track records in serving the financial services, telecommunications, information technology and public administration sectors. It is well positioned to attract and capture new demands from high quality customers for data centre facilities and services.

#### Super e-Technology

Super e-Technology secured ten contracts with a combined worth of over HK\$12 million for the design and installation of security surveillance and SMATV systems at major residential developments during the reporting period.

It continues to be actively engaged in competitive tendering for upcoming residential and commercial projects.

#### Super e-Network

Super e-Network has successfully deployed two sites and renewed two contracts for wireless LAN infrastructure for the provision of WIFI services in shopping malls. It continues to explore new opportunities and bid for new projects to expand broadband deployment and WIFI services to different sectors.

In addition to successfully renewing a substantial broadband service contract, Super e-Network works with providers of broadband and traffic management services in the development of cost-effective solutions for its customers.

### Investment

The Group has maintained a prudent and conservative approach to investments. Funds will only be committed where returns can be reasonably expected and are justifiably attractive.

To further focus at the Group's core businesses, the Group has restructured its Red-dots operations and disposed of certain non-core equity technology investments.



## 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 had cash and interest-bearing securities of approximately HK\$915 million. The Group had no gearing (calculated on the basis of net debt to shareholders' funds) as at the period end.

As of 31 December 2009, the Company had contingent liabilities in respect of guarantees for general banking facilities utilized by group subsidiaries and other guarantees in the aggregate amount of HK\$84.8 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 2009, 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.

Other than the disposals of certain non-core equity technology investments during the period, there have been no material changes in the composition of the Group's equity technology investment portfolio since 30 June 2009.

## Employees

As of 31 December 2009, 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 reviews on compensation to recognise employees' contributions and to respond to changes in the employment market. Payroll costs remained stable during the period, 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 were 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 the dedicated staff for their commitment and hard work, and our shareholders for their confidence and support.

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

Hong Kong, 4 February 2010



## DIRECTORS PROFILE

### **KWOK Ping-luen, Raymond** (Age: 56)

*Chairman*

Mr. Kwok was appointed the Chairman and an Executive Director of the Company on 29 January 2000. He holds a Master of Arts degree in Law from Cambridge University, a Master degree in Business Administration from Harvard University, an Honorary Doctorate degree in Business Administration from The Open University of Hong Kong and an Honorary Doctorate degree in Laws from The Chinese University of Hong Kong.

Mr. Kwok is Vice Chairman and Managing Director of Sun Hung Kai Properties Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is also Chairman of SmarTone Telecommunications Holdings Limited, a Non-Executive Director of Transport International Holdings Limited and USI Holdings Limited, and an Independent Non-Executive Director of Standard Chartered Bank (Hong Kong) Limited.

In civic activities, Mr. Kwok is a Director of The Real Estate Developers Association of Hong Kong, a member of the General Committee of The Hong Kong General Chamber of Commerce and Vice Chairman of the Council of The Chinese University of Hong Kong. He was a member of the Hong Kong Port Development Council. Mr. Kwok is the younger brother of Mr. Kwok Ping-sheung, Walter and Mr. Kwok Ping-kwong, Thomas, both being Executive Directors of the Company.

Save as disclosed above, Mr. Kwok did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Kwok has entered into a service agreement with the Company for a period of three years commencing on 1 March 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director's fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. Mr. Kwok received a total director's emolument of approximately HK\$40,001, including a director's fee in the amount of HK\$40,000, for the financial year ended 30 June 2009.



## **KWOK Ping-sheung, Walter** (Age: 59)

Mr. Kwok was appointed an Executive Director of the Company on 29 January 2000. He holds an Honorary Doctor of Science degree and a Master of Science degree in Civil Engineering from the Imperial College of Science and Technology, University of London, and is a member of the Institution of Civil Engineers, U.K. and a member of the Hong Kong Institution of Engineers. He is a Non-Executive Director of Sun Hung Kai Properties Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and Transport International Holdings Limited and Director of Wilson Parking (Holdings) Limited and Hung Cheong Import & Export Co., Ltd.

He is also a Director of The Real Estate Developers Association of Hong Kong and Tsimshatsui East Property Developers' Association Ltd. and Honorary Treasurer of the Federation of Hong Kong Hotel Owners. On the community front, he is the Past Chairman of the Former Directors Committee of the Hong Kong Community Chest. He is also a member of MBA Programmes Committee of The Chinese University of Hong Kong and an Honorary Member of The Court of The Hong Kong University of Science & Technology.

Mr. Kwok is an Honorary Citizen of Beijing & Guangzhou and a Standing Committee Member of the National Committee of the Chinese People's Political Consultative Conference. Mr. Kwok is the elder brother of Mr. Kwok Ping-kwong, Thomas and Mr. Kwok Ping-luen, Raymond.

Save as disclosed above, Mr. Kwok did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Kwok has entered into a service agreement with the Company for a period of three years commencing on 1 March 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director's fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. Mr. Kwok received a total director's emolument of approximately HK\$30,001, including a director's fee in the amount of HK\$30,000, for the financial year ended 30 June 2009.





## **KWOK Ping-kwong, Thomas** (Age: 58)

Mr. Kwok was appointed an Executive Director of the Company on 29 January 2000. Mr. Kwok is Vice Chairman and Managing Director of Sun Hung Kai Properties Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is also Chairman of Route 3 (CPS) Company Limited, Joint Chairman of IFC Development Limited and an Independent Non-Executive Director of The Bank of East Asia, Limited. Mr. Kwok holds a master's degree in Business Administration from The London Business School, University of London, and a bachelor's degree in Civil Engineering from Imperial College, University of London. He is a fellow of The Hong Kong Management Association.

He is Chairman of the Board of Directors of the Faculty of Business and Economics, The University of Hong Kong, and Executive Vice President and a member of the Executive Committee of The Real Estate Developers Association of Hong Kong. He also serves as a government appointed member of the Exchange Fund Advisory Committee, Construction Industry Council and the Commission on Strategic Development and a non-official member of the Provisional Minimum Wage Commission. In July 2007, the Government of the Hong Kong Special Administrative Region awarded Mr. Kwok the Silver Bauhinia Star for his distinguished community service.


In the past, Mr. Kwok served as a member of the Economic and Employment Council, the Business Advisory Group, the Land & Building Advisory Committee, the Registered Contractors' Disciplinary Board, the General Chamber of Commerce Industrial Affairs Committee, Business Facilitation Advisory Committee and the Council for Sustainable Development. He was also Chairman of the Property Management Committee of the Building Contractors' Association and a council member of the Hong Kong Construction Association.

He previously served as a board member of the Community Chest of Hong Kong and as a member of the Social Welfare Policies & Services Committee, and on the Council of The Open University of Hong Kong.

Mr. Kwok is an Honorary Citizen of Guangzhou and a Standing Committee Member of the Ninth Chinese People's Political Consultative Conference Shanghai Committee.

Mr. Kwok is the younger brother of Mr. Kwok Ping-sheung, Walter and the elder brother of Mr. Kwok Ping-luen, Raymond.

Save as disclosed above, Mr. Kwok did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.



Mr. Kwok has entered into a service agreement with the Company for a period of three years commencing on 1 March 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director's fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. Mr. Kwok received a total director's emolument of approximately HK\$30,001, including a director's fee in the amount of HK\$30,000, for the financial year ended 30 June 2009.

**TSIM Wing-kit, Alfred** (Age: 46)

*Chief Executive Officer, Compliance Officer and Authorised Representative*

Mr. Tsim has been an Executive Director of the Company since July 2006. He was appointed as the Acting Chief Executive Officer of the Company in June 2008 and was re-designated as Chief Executive Officer on 1 December 2008. He is also a member of the Remuneration Committee and Nomination Committee of the Company. Mr. Tsim has been appointed as a Non-Executive Director of SmarTone Telecommunications Holdings Limited with effect from 18 November 2009. Prior to joining the Group in February 2000, he worked with international accounting firms, financial institution and major telecommunication operators in Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, United Kingdom, CPA Australia, CMA Canada and The Institute of Chartered Accountants in England and Wales. Mr. Tsim holds a Bachelor of Arts degree from the City University of Hong Kong, a Master of Business Administration degree from The University of Sydney, a Master of Laws degree from the University of Wolverhampton and a Diploma in Management Accounting from The Chinese University of Hong Kong.

Save as disclosed above, Mr. Tsim did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Tsim has not entered into any service agreement with the Company and has no fixed term of director's service but he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. His director's fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Mr. Tsim received a fee of HK\$35,000 for being a Director of the Company and other emoluments of approximately HK\$2,443,850.



### **CHAN Kui-yuen, Thomas** (Age: 63)

Mr. Chan has been an Executive Director of the Company since 29 January 2000. He is an Executive Director of Sun Hung Kai Properties Limited (“SHKP”, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance) and an Executive Director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of SHKP. He joined the Sun Hung Kai Properties Group in 1973 and is now responsible for land acquisitions and project planning matters. Mr. Chan graduated from the United College, The Chinese University of Hong Kong. He was awarded as Honorary University Fellowship of The Open University of Hong Kong in 2007.


Save as disclosed above, Mr. Chan did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Chan has entered into a service agreement with the Company for a period of three years commencing on 1 March 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months’ prior written notice, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director’s fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Mr. Chan received a fee of HK\$30,000 for being a Director of the Company and other emoluments of approximately HK\$12,000.

### **SO Chung-keung, Alfred** (Age: 61)

Mr. So has been an Executive Director of the Company since 29 January 2000. He joined the Sun Hung Kai Properties Group in 1978 and is currently an Executive Director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of Sun Hung Kai Properties Limited. He is also a director of Sunco Resources Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. So received a Master of Science degree in Mathematics from the University of Toronto.

Save as disclosed above, Mr. So did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.



Mr. So has entered into a service agreement with the Company for a period of three years commencing on 1 March 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director's fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Mr. So received a fee of HK\$30,000 for being a Director of the Company and other emoluments of approximately HK\$12,000.

**TUNG Chi-ho, Eric** (Age: 50)

Mr. Tung has been an Executive Director of the Company since 29 January 2000. He has been with the Sun Hung Kai Properties Group for 22 years. He served as Project Director for various large-scale residential, commercial and mixed developments and oversaw the completion of data centres for major tenants such as JP Morgan and ING Barings. He is an Executive Director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of Sun Hung Kai Properties Limited, and is also the Chairman of iAdvantage Limited. Mr. Tung is a member of the Hong Kong Institute of Architects and is a Registered Architect in Hong Kong and an Authorised Person (List One) with the Building Department. He is a graduate of the Architectural Programme of The University of Hong Kong.

Save as disclosed above, Mr. Tung did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Tung has entered into a service agreement with the Company for a period of three years commencing on 1 March 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director's fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Mr. Tung received a fee of HK\$30,000 for being a Director of the Company and other emoluments of approximately HK\$12,000.



## **WONG Chin-wah** (Age: 60)

Mr. Wong has been an Executive Director of the Company since 29 January 2000 and is the Chief Executive Officer of Sunevision Super e-Technology Services Limited (“Super e-Technology”). His experience in infrastructure network technology commenced in early 1993 when he was appointed as Chief Executive Officer of Super e-Technology. In July 1999, then as the Managing Director of Sunevision Red-Dots Limited, he led a team of IT professionals to develop the Sun Hung Kai Properties Group’s first e-commerce site in Hong Kong which was launched in October 1999. He is an Executive Director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of Sun Hung Kai Properties Limited, and had held senior management positions in the DBS Bank and MTR Corporation Limited. Mr. Wong received a Bachelor of Science (Estate Management) degree in 1976 from the National University of Singapore and is a Registered Professional Surveyor and a Registered Professional Housing Manager in Hong Kong. He is also a member of the Singapore Institute of Surveyors and Valuers.

Save as disclosed above, Mr. Wong did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Wong has entered into a service agreement with the Company for a period of three years commencing on 1 March 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months’ prior written notice, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director’s fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Mr. Wong received a fee of HK\$30,000 for being a Director of the Company and other emoluments of approximately HK\$12,000.



## **SO Wai-kei, Godwin** (Age: 45)

Mr. So was appointed as an Executive Director of the Company on 1 November 2009. He is an Alternate Director of Transport International Holdings Limited. He is the Group Financial Control Manager of Sun Hung Kai Properties Limited (“SHKP”, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance). He also serves as a Director of Hung Kai Finance Company, Limited and Transport Infrastructure Management Limited (subsidiaries of SHKP). Before joining SHKP in 2002, Mr. So worked for two banks in Hong Kong holding various managerial positions in internal auditing, operation management and business planning.

Mr. So holds a Bachelor of Arts degree from the City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered and Certified Accountants, the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Chartered Secretaries, the Chartered Institute of Bankers and the Hong Kong Institute of Bankers.

Save as disclosed above, Mr. So did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. So has entered into a service agreement with the Company for a period of three years commencing on 1 November 2009 and shall continue thereafter unless and until terminated by either the Company or the Director giving to the other in writing, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. According to his service agreement with the Company, there is no fixed remuneration and his director's fee is fixed by the shareholders at the annual general meetings while his annual salary is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. Mr. So is entitled to a fee of HK\$30,000 per annum for being a Director of the Company (or a pro rata amount for the duration of his directorship for an incomplete year) and other emoluments to be determined by the Board from time to time.



## **CHEUNG Wing-yui** (Age: 60)

Mr. Cheung has been a Non-Executive Director of the Company since 29 January 2000. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Cheung is also a Non-Executive Director of SmarTone Telecommunications Holdings Limited, SRE Group Limited, Tai Sang Land Development Limited and Tianjin Development Holdings Limited and an Independent Non-Executive Director of Agile Property Holdings Limited and Hop Hing Group Holdings Limited. He retired as Non-Executive Director of Taifook Securities Group Limited on 1 October 2007 and Independent Non-Executive Director of Ching Hing (Holdings) Limited on 25 July 2007 and Ping An Insurance (Group) Company of China, Ltd on 3 June 2009.

He is a member of the Board of Review (Inland Revenue Ordinance), a director of The Community Chest, Deputy Chairman of the Council of The Open University of Hong Kong and Deputy Chairman of The Hong Kong Institute of Directors. He was also the Vice Chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong until January 2006 and was a Director of Po Leung Kuk.

Mr. Cheung received a Bachelor of Commerce Degree in accountancy from the University of New South Wales, Australia and is a member of the Australian Society of CPAs. He has been a practising solicitor in Hong Kong since 1979 and is a Consultant of the law firm Woo, Kwan, Lee & Lo. He was also admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore.

Save as disclosed above, Mr. Cheung did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company other than his position as a non-executive director of Hung Kai Finance Company, Limited, a wholly owned subsidiary of Sun Hung Kai Properties Limited, the Company's controlling shareholder.

Mr. Cheung has not entered into any service agreement with the Company. He has a fixed term of appointment as Director for a period from 1 January 2009 to 31 December 2011 and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. His director's fee is fixed by the shareholders at the annual general meetings while his annual salary, if any, is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Mr. Cheung received a fee of HK\$120,000 for being a Director of the Company.



## **LI On-kwok, Victor** (Age: 55)

Professor Li has been an Independent Non-Executive Director of the Company since 29 January 2000. He is also the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Professor Li is an Independent Non-Executive Director of China.com Inc.. He is the Associate Dean of Engineering, and the Chair Professor of Information Engineering of the Electrical and Electronic Engineering Department at The University of Hong Kong (“HKU”). Prior to joining HKU, Professor Li was Professor of Electrical Engineering at the University of Southern California (“USC”) and Director of the USC Communication Sciences Institute. Professor Li has chaired various committees of international professional organisations such as the Technical Committee on Computer Communications of the Institute of Electrical and Electronic Engineers (IEEE). Professor Li received his bachelor’s, master’s, engineer’s and doctoral degrees in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology in 1977, 1979, 1980 and 1981 respectively. He was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2002.

Save as disclosed above, Professor Li did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Professor Li has not entered into any service agreement with the Company. He has a fixed term of appointment as Director for a period from 1 January 2009 to 31 December 2011 and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. His director’s fee is fixed by the shareholders at the annual general meetings while his annual salary, if any, is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Professor Li received a fee of HK\$120,000 for being a Director of the Company.





### **KING Yeo-chi, Ambrose** (Age: 74)

Professor King was appointed as an Independent Non-Executive Director of the Company on 1 January 2007. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. He is the Emeritus Professor of Sociology at The Chinese University of Hong Kong.

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

Professor King received his BA from National Taiwan University (1957), MA from National Cheng Chi University (1959), and PhD from the University of Pittsburgh (1970).

Professor King has held many advisory positions to the Hong Kong Government such as Independent Commission Against Corruption, The Law Reform Commission, Central Policy Unit, University Grants Committee — Research Grants Council. He is a member of the Board of Directors of Chiang Ching-kuo Foundation for International Scholarly Exchange. Professor King was appointed the Non-Official Justice of Peace in 1994. He was awarded the Silver Bauhinia Star of the Hong Kong Special Administrative Region and the Doctor of Literature, honoris causa of the Hong Kong University of Science and Technology in 1998 and the Doctor of Laws, honoris causa of The Chinese University of Hong Kong in 2005.

Save as disclosed above, Professor King did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Professor King has not entered into any service agreement with the Company. He has a fixed term of appointment as Director for a period from 1 January 2010 to 31 December 2012 and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. His director's fee is fixed by the shareholders at the annual general meetings while his annual salary, if any, is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Professor King received a fee of HK\$120,000 for being a Director of the Company.



## **WONG Kai-man** (Age: 59)

Mr. Wong was appointed as Independent Non-Executive Director of the Company on 16 January 2007. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. He is an accountant with 32 years of audit, initial public offer and computer audit experience. He was a member of the Growth Enterprise Market Listing Committee of The Stock Exchange of Hong Kong Limited from 1999 to 2003. Mr. Wong was an audit partner of PricewaterhouseCoopers, Hong Kong before his retirement on 30 June 2005 and is currently a director of two charity foundations: Victor & William Fung Foundation Limited and Li & Fung (1906) Foundation Limited. Mr. Wong was appointed as a Non-Executive Director of Securities and Futures Commission on 26 May 2009. He is an Independent Non-Executive Director of Shangri-La Asia Limited, SCMP Group Limited and China Construction Bank Corporation. He serves in a number of government committees and the boards of certain non-governmental organisations.

Mr. Wong obtained his Bachelor of Science in Physics from The University of Hong Kong and Master of Business Administration from The Chinese University of Hong Kong and is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants.

Mr. Wong was appointed as a Justice of the Peace in 2002 and was awarded Bronze Bauhinia Star in 2007 by the Government of the Hong Kong Special Administrative Region and awarded an honorary fellow of Lingnan University of Hong Kong.

Save as disclosed above, Mr. Wong did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Wong has not entered into any service agreement with the Company. He has a fixed term of appointment as Director for a period from 1 January 2010 to 31 December 2012 and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. His director's fee is fixed by the shareholders at the annual general meetings while his annual salary, if any, is determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of annual management bonus, if any, is determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director. For the financial year ended 30 June 2009, Mr. Wong received a fee of HK\$120,000 for being a Director of the Company.

Note: Mr. Wong Yick-kam, Michael retired as Executive Director and ceased to be the compliance officer of the Company after the conclusion of the annual general meeting of the Company held on 30 October 2009.



## CONSOLIDATED INCOME STATEMENT

For the three and six months ended 31 December 2009

	NOTES	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
		2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Revenue		<b>136,229</b>	134,638	<b>270,112</b>	261,713
Cost of sales		<b>(69,913)</b>	(71,839)	<b>(139,969)</b>	(141,415)
Gross profit		<b>66,316</b>	62,799	<b>130,143</b>	120,298
Other income	4	<b>6,211</b>	3,275	<b>17,881</b>	6,907
Selling expenses		<b>(1,341)</b>	(1,833)	<b>(2,534)</b>	(3,866)
Administrative expenses		<b>(6,887)</b>	(7,536)	<b>(13,806)</b>	(14,743)
Gain on disposal of investment properties		<b>64,299</b>	56,705	<b>131,684</b>	108,596
Impairment loss on equity technology investments		<b>40,722</b>	—	<b>40,722</b>	—
Profit before taxation		<b>105,021</b>	37,868	<b>172,406</b>	89,759
Taxation credit (charge)	5	<b>10,694</b>	(7,968)	<b>1,709</b>	(15,103)
Profit for the period	6	<b>115,715</b>	29,900	<b>174,115</b>	74,656
Attributable to:					
Equity holders of the Company		<b>115,715</b>	29,504	<b>174,115</b>	73,851
Minority interests		—	396	—	805
		<b>115,715</b>	29,900	<b>174,115</b>	74,656
Earnings per share — Basic	7	<b>5.70 cents</b>	1.45 cents	<b>8.57 cents</b>	3.64 cents

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and six months ended 31 December 2009

	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Profit for the period	<b>115,715</b>	29,900	<b>174,115</b>	74,656
Other comprehensive income:				
Available-for-sale financial assets –				
Change in fair value during the period	<b>22,313</b>	(1,175)	<b>35,127</b>	(16,458)
Release upon disposal of investments	<b>(275)</b>	690	<b>(7,442)</b>	690
Exchange differences arising from translation of operations outside Hong Kong	<b>10</b>	(126)	<b>12</b>	(57)
Impairment on investments	—	18,837	—	18,837
Release upon dissolution of a subsidiary	—	—	—	2,454
Property revaluation reserve released upon disposal	<b>(98)</b>	—	<b>(98)</b>	—
	<b>21,950</b>	18,226	<b>27,599</b>	5,466
Total comprehensive income for the period	<b>137,665</b>	48,126	<b>201,714</b>	80,122
Attributable to:				
Equity holders of the Company	<b>137,655</b>	47,801	<b>201,693</b>	76,899
Minority interests	<b>10</b>	325	<b>21</b>	3,223
	<b>137,665</b>	48,126	<b>201,714</b>	80,122



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	NOTES	(Unaudited) 31 December 2009 HK\$'000	(Audited) 30 June 2009 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>713,000</b>	713,000
Property, plant and equipment	8	<b>1,174,855</b>	1,207,956
Investments	9	<b>371,081</b>	162,848
		<b>2,258,936</b>	2,083,804
<b>CURRENT ASSETS</b>			
Inventories		<b>4,898</b>	3,326
Trade and other receivables	10	<b>54,628</b>	59,545
Amounts due from customers for contract work		<b>12,611</b>	8,820
Bank balances and deposits		<b>581,580</b>	549,011
		<b>653,717</b>	620,702
Asset classified as held for sale		—	250,000
		<b>653,717</b>	870,702
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	<b>183,551</b>	285,760
Amounts due to customers for contract work		<b>169</b>	169
Deferred revenue	12	<b>25,813</b>	24,136
Taxation		<b>7,338</b>	—
		<b>216,871</b>	310,065
Liabilities associated with an asset classified as held for sale		—	50,061
		<b>216,871</b>	360,126
<b>NET CURRENT ASSETS</b>		<b>436,846</b>	510,576
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,695,782</b>	2,594,380

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 December 2009

NOTES	(Unaudited) 31 December 2009 <i>HK\$'000</i>	(Audited) 30 June 2009 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Deferred taxation	<b>110,302</b>	99,288
Deferred revenue	<b>133,059</b>	122,496
	<b>243,361</b>	221,784
	<b>2,452,421</b>	2,372,596
CAPITAL AND RESERVES		
Share capital	<b>203,148</b>	203,148
Reserves	<b>2,236,502</b>	2,156,698
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	<b>2,439,650</b>	2,359,846
MINORITY INTERESTS	<b>12,771</b>	12,750
TOTAL EQUITY	<b>2,452,421</b>	2,372,596



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2009

	2009									
	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 2009	203,148	2,536,033	1,880	98	18,557	310	(400,180)	2,359,846	12,750	2,372,596
Change in fair value of investments	—	—	—	—	35,127	—	—	35,127	—	35,127
Exchange differences arising from translation of operations outside Hong Kong	—	—	(9)	—	—	—	—	(9)	21	12
Net income and expense recognised directly in equity	—	—	(9)	—	35,127	—	—	35,118	21	35,139
Release upon disposal of investments	—	—	—	—	(7,442)	—	—	(7,442)	—	(7,442)
Release upon disposal of properties	—	—	—	(98)	—	—	—	(98)	—	(98)
Profit for the period	—	—	—	—	—	—	174,115	174,115	—	174,115
Total comprehensive income for the period	—	—	(9)	(98)	27,685	—	174,115	201,693	21	201,714
Final dividend paid	—	—	—	—	—	—	(121,889)	(121,889)	—	(121,889)
Cancellation of share options	—	—	—	—	—	(310)	310	—	—	—
At 31 December 2009	203,148	2,536,033	1,871	—	46,242	—	(347,644)	2,439,650	12,771	2,452,421

	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 expense recognised directly in equity	—	—	(25)	—	(16,458)	—	—	(16,483)	(32)	(16,515)
Release upon redemption of investments	—	—	—	—	(680)	—	1,370	690	—	690
Impairment on investments	—	—	—	—	18,837	—	—	18,837	—	18,837
Release upon dissolution of a subsidiary	—	—	4	—	—	—	—	4	2,450	2,454
Profit for the period	—	—	—	—	—	—	73,851	73,851	805	74,656
Total comprehensive income for the period	—	—	(21)	—	1,699	—	75,221	76,899	3,223	80,122
Final dividend paid	—	—	—	—	—	—	(101,574)	(101,574)	—	(101,574)
Cancellation of share options	—	—	—	—	—	(102)	102	—	—	—
At 31 December 2008	203,148	2,536,033	1,880	98	(95)	310	(509,670)	2,231,704	16,394	2,248,098

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2009

(Unaudited)  
Six months ended  
31 December

	2009 HK\$'000	2008 HK\$'000
Net cash from operating activities	<b>177,187</b>	238,714
Net cash used in investing activities	<b>(22,738)</b>	(75,604)
Net cash used in financing activities	<b>(121,889)</b>	(101,702)
Net increase in cash and cash equivalents	<b>32,560</b>	61,408
Cash and cash equivalents at 1 July	<b>549,011</b>	328,306
Effect of foreign exchange rate changes	<b>9</b>	(38)
Cash and cash equivalents at 31 December	<b>581,580</b>	389,676





## 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 (“HKICPA”) 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.

### 2. Principal Accounting Policies

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 2009. The financial statements are unaudited but have been reviewed by the Audit Committee.

In the current period, the Group has newly adopted, for the first time, the following new and revised standards, amendments and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year commencing on 1 July 2009.

HKFRSs (Amendments)	Improvements to HKFRSs
HKFRSs (Amendments)	Improvements to HKFRSs 2009 <sup>1</sup>
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC)-Int 18	Transfers of Assets from Customers

<sup>1</sup> Improvements to HKFRSs 2009 in relation to the amendments to HKFRS 2, HKAS 18, HKAS 38, paragraph 80 of HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16

## 2. Principal Accounting Policies (continued)

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the interim financial statements, and has resulted in a number of changes in presentation and disclosure.

HKFRS 7 (Amendment) does not contain any additional disclosure requirements specifically applicable to the interim financial statements.

HKFRS 8 is a disclosure Standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor Standard, HKAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The adoption of other new HKFRSs has no material effect on the reported results and the financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

For those HKFRSs which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

## 3. Segment Information

The Group has the following three reportable segments:

- i) Internet services centre and IT facilities cover the provision of data centre, facilities management, web applications and value added services.
- ii) 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.
- iii) Properties holding refers to the Group's interests in investment properties which generate rental and other related income.

Segment profit represents the profit earned by each segment without allocation of interest income, unallocated corporate expenses, gain (loss) on disposal/redemption of investments and impairment loss on equity technology investments. This is the measure reported to the Group's chief operating decision makers for the purpose of resource allocation and performance assessment.



### 3. Segment Information (continued)

Segment information is presented below:

For the six months ended 31 December 2009

	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	200,046	49,804	20,262	—	270,112
Inter-segment	1,589	781	1,067	(3,437)	—
Total	201,635	50,585	21,329	(3,437)	270,112
RESULTS					
Segment profit	95,282	9,694	56,439	—	161,415
Interest income					9,564
Unallocated corporate expenses					(5,994)
Gain on disposal of investments					7,421
Profit before taxation					172,406
Taxation credit					1,709
Profit for the period					174,115

### 3. Segment Information (continued)

For the six months ended 31 December 2008

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

Inter-segment sales are charged at prevailing market rates.



#### 4. Other Income

	Six months ended 31 December	
	2009 HK\$'000	2008 HK\$'000
Interest income	9,563	7,093
Gain (loss) on disposal/redemption of investments	7,422	(690)
Miscellaneous	896	504
	<b>17,881</b>	6,907

#### 5. Taxation Credit (Charge)

	Six months ended 31 December	
	2009 HK\$'000	2008 HK\$'000
Current tax — Hong Kong profits tax	(7,338)	—
Deferred taxation credit (charge)		
— relating to origination and reversal of temporary differences	(11,014)	(15,103)
— released upon disposal of investment properties	20,061	—
	<b>1,709</b>	(15,103)

Hong Kong profits tax has been provided at the tax rate of 16.5% on the estimated assessable profits arising in Hong Kong for the six months ended 31 December 2009. No tax was payable on the profit for six months ended 31 December 2008 since the estimated assessable profit was wholly absorbed by tax losses brought forward.

#### 6. Profit for the Period

	Six months ended 31 December	
	2009 HK\$'000	2008 HK\$'000
Profit for the period has been arrived at after charging: Depreciation of property, plant and equipment	<b>44,358</b>	38,786

## 7. 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 2009 of HK\$115,715,000 and HK\$174,115,000 (three months and six months ended 31 December 2008: HK\$29,504,000 and HK\$73,851,000) and the weighted average number of 2,031,483,833 ordinary shares in issue during the three months and six months ended 31 December 2008 and 2009.

No diluted earnings per share is presented for the three months and six months ended 31 December 2008 and 2009 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.

## 8. Property, Plant and Equipment

During the period, additions to fixed assets amounted to HK\$11,243,000.

## 9. Investments

	31 December 2009 HK\$'000	30 June 2009 HK\$'000
Available-for-sale:		
Debt securities	333,761	129,121
Equity technology investments	37,320	33,727
	<b>371,081</b>	162,848

## 10. Trade and Other Receivables

Included in trade and other receivables are trade receivables of HK\$35,725,000 (as at 30 June 2009: HK\$39,251,000), of which 94% aged less than 60 days, 5% between 61 to 90 days and 1% more than 90 days (as at 30 June 2009: 94%, 4% and 2% respectively).

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



## 11. Trade and Other Payables

	31 December 2009 HK\$'000	30 June 2009 HK\$'000
Trade payable aged within 60 days	16,770	27,434
Trade payable aged over 60 days	370	2,172
Other payables	17,140	29,606
Deposits received and accruals	2,795	876
Payable for investments purchased	—	150,404
	183,551	104,874
		285,760

## 12. 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.

### 13. 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*

	Six months ended 31 December	
	2009 HK\$'000	2008 HK\$'000
Advertising and e-commerce income	693	872
Income from installation, operation and provision of cable networking	23,532	17,720
Income from maintenance and repair of network infrastructure and security systems	23,364	25,470
Non-core value added service income	325	264
Space and rack rental income	1,255	1,124
Cable and network rental charges	398	398
Estate agency fees paid	527	571
Insurance service charges paid	672	618
Maintenance and repair charges of network infrastructure and security systems	882	1,508
Management fee charges	1,000	1,000
Network infrastructure and security systems installation charges	1,246	817
Outsourcing fee paid	—	480
Property management service fees paid	4,008	4,763
Rent paid	3,422	3,090
Technical service charge paid	635	727

(B) *Transaction with a director*

During the period, the Group paid professional fees of HK\$90,000 (2008: HK\$80,000) 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\$1,634,000 (2008: HK\$1,381,000).





#### 14. Capital Commitments

	31 December 2009 <i>HK\$'000</i>	30 June 2009 <i>HK\$'000</i>
Contracted for but not provided in the consolidated financial statements in respect of acquisition of plant and equipment	270	5,937

#### 15. Contingent Liabilities

As at 31 December 2009, 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\$85 million (as at 30 June 2009: HK\$105 million).

## DIVIDEND

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the six months ended 31 December 2009 (2008: Nil).

## DIRECTORS' INTERESTS

As at 31 December 2009, the interests of Directors and chief executive of the Company in the shares and underlying shares 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 which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### 1. Long position in shares and underlying shares of the Company

Name of Director	Number of shares held			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-kwong, Thomas	—	—	1,070,000 <sup>1</sup>	1,070,000	—	1,070,000	0.05
So Chung-keung, Alfred	—	543	—	543	—	543	0
King Yeo-chi, Ambrose	500	—	—	500	—	500	0

Note:

1. Of these shares in the Company, Messrs. Kwok Ping-luen, Raymond and Kwok Ping-kwong, Thomas were deemed to be interested in 1,070,000 shares of the Company by virtue of being beneficiaries of a certain discretionary trust, which represented the same interests and were therefore duplicated amongst these two Directors for the purpose of Part XV of the SFO.



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

### (a) Sun Hung Kai Properties Limited (“SHKP”)

Name of Director	Number of shares held				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	—	—	1,100,600,695 <sup>1,2</sup>	1,100,675,695	—	1,100,675,695	42.92
Kwok Ping-sheung, Walter	75,000	—	—	1,087,663,522 <sup>1</sup>	1,087,738,522	—	1,087,738,522	42.42
Kwok Ping-kwong, Thomas	1,976,281	304,065	—	1,097,457,014 <sup>1,2</sup>	1,099,737,360	—	1,099,737,360	42.89
Chan Kui-yuen, Thomas	—	66,000	126,500 <sup>3</sup>	—	192,500	—	192,500	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 1,065,679,347 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 Part XV of the SFO.
- Of these shares in SHKP, Messrs. Kwok Ping-luen, Raymond and Kwok Ping-kwong, Thomas were deemed to be interested in 11,743,800 shares by virtue of being beneficiaries of a certain discretionary trust, which represented the same interests and were therefore duplicated amongst these two Directors for the purpose of Part XV 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.

(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	0.42
Li On-kwok, Victor	5,000	—	5,000	—	5,000	0

Note:

1. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in SmarTone by virtue of being a beneficiary of a certain discretionary trust for the purpose of Part XV of the SFO.

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

Name of associated corporation	Attributable holding through corporation	Attributable % of shares in issue through corporation	Actual holding through corporation	Actual % interests in issued shares
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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:

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



Save as disclosed above, as at 31 December 2009, none of the Directors or chief executive of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## 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, of which the options at the exercise prices of 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 expired 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 2009, 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 2009 with respect to their share options granted under the New Share Option Scheme:

Name of Director	Date of grant	Exercise price HK\$	Exercise period <sup>1</sup>	Number of share options				
				Balance as at 1.7.2009	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Balance as at 31.12.2009
Tsim Wing-kit, Alfred	29.11.2003	1.59	29.11.2003 to 28.11.2009	50,000	—	—	(50,000)	0
So Chung-keung, Alfred	29.11.2003	1.59	29.11.2003 to 28.11.2009	67,000	—	—	(67,000)	0
Wong Chin-wah	29.11.2003	1.59	29.11.2003 to 28.11.2009	70,000	—	—	(70,000)	0

Note:

- The share options are exercisable subject to the amount of one-third of the respective grants on each of the first, second and third anniversaries of the date of grant of share options as determined by the Share Option Committee which is set out in 1(B) of this section.



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

A summary of the movements during the six months ended 31 December 2009 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 officer of the Company as disclosed above, is set out below:

Date of grant	Exercise price HK\$	Exercise period <sup>1</sup>	Number of share options				Balance as at 31.12.2009
			Balance as at 1.7.2009	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
29.11.2003	1.59	29.11.2003 to 28.11.2009	216,667	-	-	(216,667)	0

Note:

1. The share options are exercisable subject to the amount of one-third of the respective grants on each of the first, second and third anniversaries of the date of grant of share options as determined by the Share Option Committee which is set out in 1(B) of this section.

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 Scheme 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 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 2009 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2009, the interest of the persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company 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 Trustee (C.I.) Limited <sup>3</sup> ("HSBCTCI")	1,714,683,500	84.41

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 Part XV of the SFO.
3. HSBCTCI is deemed to be interested in the 1,713,613,500 shares of the Company held by SHKP for the purpose of Part XV of the SFO via its deemed interests in 1,077,423,147 shares in SHKP, which were the same shares referred to in Notes 1 and 2 to sub-section 2(a) of the section entitled "Directors' Interests".

Save as disclosed above, as at 31 December 2009, there was no person (other than a Director or chief executive of the Company) known to the Directors who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## INTERESTS OF OTHER PERSONS

So far as is known to any Director or chief executive of the Company, as at 31 December 2009, there were no persons other than a Director or chief executive of the Company who was, directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group, or any options in respect of such capital.

## INTERESTS IN COMPETING BUSINESS

Professor Li On-kwok, Victor, an Independent Non-Executive Director of the Company, is a well recognised 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 relevant 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 has 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 half-year results for the six months ended 31 December 2009 and has provided advice and comments thereon.

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

During the six months ended 31 December 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

The Company adopted the required standard of dealings set out in the 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 2009, he has complied with the required standard of dealings.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

Throughout the six months ended 31 December 2009, 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, 4 February 2010

*As at the date of this Report, 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; 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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