



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)



2010-2011

Third Quarterly Report
第三季度業績報告

Results for the nine months ended 31 March 2011
截至2011年3月31日止九個月業績



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”)**

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report (the “Report”), make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Report.

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 of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Report misleading.

HIGHLIGHTS

- SUNeVision delivered a profit of HK\$196.3 million attributable to the owners of the Company for the nine months ended 31 March 2011
- Revenue has increased to HK\$464.9 million for the period, representing a period-on-period improvement of HK\$58.4 million or 14%, largely driven by the continuing contributions from our data centre businesses
- Other income amounted to HK\$20.4 million which was HK\$7.2 million lower than in the corresponding period of financial year 2009/10, when the Group recorded HK\$11.7 million one-time gains on disposals of non-core equity technology investments
- Profit from operations increased to HK\$231.4 million, an improvement of HK\$29.2 million over the same period of the previous financial year
- The HK\$60.8 million one-time gain and related tax effects on the disposal of two floors of Kodak House II in the previous financial year did not recur; had these effects been excluded, the Group's result would have improved by HK\$22.2 million on a period-on-period basis
- The Group's financial position remains strong, with approximately HK\$1,222 million in cash and interest-bearing securities on hand

	Jul 2010 to Mar 2011 HK\$'M	Jul 2009 to Mar 2010 HK\$'M
Revenue	464.9	406.5
Gross profit	239.6	199.3
— as a percentage of revenue	52%	49%
Other income	20.4	27.6
Operating expenditure*	(28.6)	(24.7)
Profit from operations	231.4	202.2
Gain on disposal of investment properties	—	40.7
Profit before taxation	231.4	242.9
Taxation for the period	(35.1)	(28.2)
Deferred tax credit released upon disposal of investment properties	—	20.1
Profit attributable to the owners of the Company	196.3	234.8

* Selling, general and administrative expenses

CHAIRMAN'S STATEMENT

SUNeVision delivered a profit of HK\$196.3 million attributable to the owners of the Company for the nine months ended 31 March 2011.

This result is HK\$38.6 million lower when compared to the same period of the previous financial year, in which the Group recorded the gain on disposal of two floors in Kodak House II and its related tax effects of HK\$60.8 million in total; had these HK\$60.8 million effects been excluded, the Group's result would have improved by HK\$22.2 million when compared to the corresponding period of the previous year.

Revenue for the Group has increased to HK\$464.9 million for the period, representing a period-on-period improvement of HK\$58.4 million or 14%, largely driven by the continuing contributions from our data centre businesses.

Continuing the trend achieved in the previous quarters, gross margin for the period was maintained at 52%, translating into gross profit of HK\$239.6 million for the reporting period.

Other income, being income in addition to revenue from operations, amounted to HK\$20.4 million which was HK\$7.2 million lower than in the corresponding period of financial year 2009/10, when the Group recorded HK\$11.7 million one-time gains on disposals of non-core equity technology investments.

The Group's operating expenditures for the nine-month period increased moderately to HK\$28.6 million, including expenses incurred for the bonus issue of shares with a convertible note option, which was completed in November 2010.

Combining stable revenues and effective cost management, profit from operations increased to HK\$231.4 million, an improvement of HK\$29.2 million over the same period of the previous financial year.

After allowing for taxation, profit attributable to the owners of the Company was HK\$196.3 million.

The Group's financial position remains strong, with approximately HK\$1,222 million in cash and interest-bearing securities on hand.

iAdvantage successfully concluded new businesses and renewed its existing relationships with multinational and local customers. Overall occupancy was approximately 86% at the period end. Other Group businesses continued to provide quality services to their customers.

In addition to working on new prospects to fill its existing data centres, iAdvantage will continue its pursuit of growth and will actively evaluate investment opportunities in data centres. iAdvantage will further invest in data centre infrastructure, facilities and services to meet customers' needs and market demand. The last-mile connectivity businesses will carry on leveraging the parent company's significant relationships.

I would like to close by thanking 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 May 2011

CHIEF EXECUTIVE OFFICER'S REPORT

Overview

SUNeVision reported its unaudited results for the nine months ended 31 March 2011 with a profit attributable to the owners of the Company of HK\$196.3 million.

The Group's profit from operations improved to HK\$231.4 million, representing an increase of HK\$29.2 million when compared to the same period of the previous financial year. However, non-recurrence of the HK\$60.8 million one-time gain and related tax credits on disposal of two floors of Kodak House II in the same period of financial year 2009/10 has the effect of more than offsetting these improvements in operating profitability.

Business Review

iAdvantage

iAdvantage maintained its market position as a major operator of carrier-neutral data centre services in Hong Kong. It continues to excel in providing quality and professional services to meet its customers' needs.

iAdvantage is fully committed to customers' stringent technical and service requirements and will continue to invest in data centre infrastructure, facilities and services. It is actively looking for investment opportunities in data centres. The overall occupancy rate of our data centres was 86% as at the period end.

With its solid experience and proven track records in serving customers in the financial services, telecommunications, information technology and public administration sectors, iAdvantage is well positioned to attract and capture new demands from high quality customers.

Super e-Technology

During the reporting period, Super e-Technology was awarded various contracts for the design and installation of security surveillance, structured cabling, and SMATV systems at various new residential and commercial developments.

Super e-Technology continues to be engaged in competitive tendering for upcoming residential, commercial, and public sector projects. A number of tenders are at advanced stages of negotiation. It is also working on potential opportunities for the deployment of its Super e-Shooter systems at prestigious developments in Mainland China.

Super e-Network

Super e-Network has been actively working on further increasing the number of wireless LAN infrastructure contracts as WiFi services gain popularity in the market.

It continues to improve its service qualities and provide cost effective solutions to its customers amid a highly competitive market.

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.

I would like to thank 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 May 2011

QUARTERLY RESULTS

For the period ended 31 March 2011 (Unaudited)

The Board of Directors of SUNeVision Holdings Ltd. (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 31 March 2011 together with the comparative unaudited figures for the corresponding periods in 2010 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Revenue	2	163,141	136,421	464,888	406,533
Cost of sales		(79,997)	(67,291)	(225,274)	(207,260)
Gross profit		83,144	69,130	239,614	199,273
Other income	3	6,351	9,782	20,479	27,663
Selling expenses		(1,710)	(1,224)	(4,476)	(3,758)
Administrative expenses		(7,964)	(7,171)	(24,170)	(20,977)
		79,821	70,517	231,447	202,201
Gain on disposal of investment properties		—	—	—	40,722
Profit before taxation		79,821	70,517	231,447	242,923
Income tax expense	4	(12,303)	(9,785)	(35,168)	(8,076)
Profit for the period		67,518	60,732	196,279	234,847
Profit attributable to the owners of the Company		67,518	60,732	196,279	234,847
Earnings per share	5				
— Basic (Remark)		1.66 cents	1.49 cents	4.83 cents	5.78 cents

Remark

Upon completion of the bonus issue of shares (with a convertible note alternative) on 25 November 2010, the Company had 2,342,675,478 ordinary shares in issue and outstanding notes convertible into 1,720,292,188 fully paid ordinary shares, representing a total of 4,062,967,666 shares which form the basis for the calculation of basic earnings per share. Adjustments have been made for the shares repurchased during the period. Details of earnings per share calculation and the Company's share capital are set out in notes 5 and 7 respectively.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March		Nine months ended 31 March	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Profit for the period	67,518	60,732	196,279	234,847
Other comprehensive income for the period (net of tax)				
Change in fair value of investments	2,192	4,854	12,403	39,981
Exchange differences arising from translation of operations outside Hong Kong	93	6	305	18
Reclassification adjustments:				
Release upon disposal of debt securities/equity technology investments	—	(4,281)	(872)	(11,723)
Property revaluation reserve released upon disposal	—	—	—	(98)
	2,285	579	11,836	28,178
Total comprehensive income for the period	69,803	61,311	208,115	263,025
Total comprehensive income attributable to:				
Owners of the Company	69,673	61,300	207,669	262,993
Non-controlling interests	130	11	446	32
	69,803	61,311	208,115	263,025

NOTES TO THE QUARTERLY RESULTS

1. Basis of Preparation

The unaudited financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The principal accounting policies used in the quarterly financial statements are consistent with those followed in the preparation of the Group’s financial statements for the year ended 30 June 2010.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1 July 2010, the adoption has no material impact on the reported results and the financial position of the Group for the current or prior accounting periods; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

2. Revenue

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

3. Other Income

	Three months ended 31 March		Nine months ended 31 March	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Interest income	6,197	5,399	18,761	14,962
Gain on disposal of debt securities/equity technology investments and investment income	—	4,262	1,222	11,684
Miscellaneous	154	121	496	1,017
	6,351	9,782	20,479	27,663

4. Income Tax Expense

	Three months ended 31 March		Nine months ended 31 March	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Current tax				
— Hong Kong Profits Tax	8,992	9,815	30,070	17,153
— PRC Enterprise Income Tax	467	—	888	—
Deferred tax expense relating to origination and reversal of temporary differences	2,844	(30)	4,210	10,984
	12,303	9,785	35,168	28,137
Deferred tax credit released upon disposal of investment properties	—	—	—	(20,061)
	12,303	9,785	35,168	8,076

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the period. Under the Law of the People's Republic of China ("PRC") on Enterprises Income Tax ("EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

5. Earnings Per Share

The calculation of the basic earnings per share is based on the unaudited profit attributable to the owners of the Company for the three months and nine months ended 31 March 2011 of HK\$67,518,000 and HK\$196,279,000 (three months and nine months ended 31 March 2010: HK\$60,732,000 and HK\$234,847,000) and the weighted average number of 4,061,659,399 and 4,062,537,943 (three months and nine months ended 31 March 2010: 4,062,967,666) ordinary shares in issue during the respective periods. 4,062,967,666 ordinary shares are deemed to be in issue at the beginning of the relevant periods assuming that the issuance of bonus shares (with convertible notes alternative) at one bonus share for every existing ordinary share held by capitalizing the Company's share premium account has been effective. The comparative figures for 2010 have been adjusted accordingly.

There were no dilutive potential ordinary shares in existence during the three months and nine months ended 31 March 2011 and the three months ended 31 March 2010. No diluted earnings per share was presented for the nine months ended 31 March 2010 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 period.

6. Reserves

	Three months ended 31 March						2010
	2011						
	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	
	<i>(Note)</i>						
At beginning of the period	2,332,885	172,029	1,744	41,543	(195,223)	2,352,978	2,236,502
Profit for the period	—	—	—	—	67,518	67,518	60,732
Change in fair value of investments	—	—	—	2,192	—	2,192	4,854
Release upon disposal of investments	—	—	—	—	—	—	(4,281)
Exchange differences arising from translation of operations outside Hong Kong	—	—	(37)	—	—	(37)	(5)
Total comprehensive (expense) income for the period	—	—	(37)	2,192	67,518	69,673	61,300
Issuance of new shares upon conversion of convertible notes	—	(10)	—	—	—	(10)	—
Repurchase of shares	(5,110)	—	—	—	—	(5,110)	—
At end of the period	2,327,775	172,019	1,707	43,735	(127,705)	2,417,531	2,297,802

6. Reserves (continued)

	Nine months ended 31 March						2010 Total HK\$'000
	2011						
	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	
	(Note)						
At beginning of the period	2,536,033	—	1,848	32,204	(161,465)	2,408,620	2,156,698
Profit for the period	—	—	—	—	196,279	196,279	234,847
Change in fair value of investments	—	—	—	12,403	—	12,403	39,981
Release upon disposal of investments	—	—	—	(872)	—	(872)	(11,723)
Exchange differences arising from translation of operations outside Hong Kong	—	—	(141)	—	—	(141)	(14)
Release upon disposal of properties	—	—	—	—	—	—	(98)
Total comprehensive (expense) income for the period	—	—	(141)	11,531	196,279	207,669	262,993
Bonus issue of shares (with convertible notes alternative)	(203,148)	172,029	—	—	—	(31,119)	—
Issuance of new shares upon conversion of convertible notes	—	(10)	—	—	—	(10)	—
Repurchase of shares	(5,110)	—	—	—	—	(5,110)	—
Final dividend paid	—	—	—	—	(162,519)	(162,519)	(121,889)
At end of the period	2,327,775	172,019	1,707	43,735	(127,705)	2,417,531	2,297,802

6. Reserves (continued)

Note:

Pursuant to an ordinary resolution in relation to the bonus issue of shares (with convertible notes alternative) passed at the extraordinary general meeting of the Company held on 1 November 2010, bonus shares were issued on the basis of one bonus share for every existing share held by the shareholders of the Company whose names appeared on the register of members of the Company on that date.

Reserve arising from issuance of convertible notes was then capitalised from the Company's share premium account for the purpose of issue of new shares upon conversion of the convertible notes ("Notes") which were constituted by the Deed Poll dated 25 November 2010. This reserve balance represented the aggregate amount of the Notes outstanding at the period end.

The Notes are unlisted, non-transferable and irredeemable but have conversion rights entitling the noteholders to convert into an equivalent number of shares as the number of bonus shares which the noteholders would otherwise be entitled to receive under the bonus issue had the shareholder not elected for the convertible notes.

7. Share Capital

	Number of ordinary shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2009, 30 June 2010 and 31 March 2011	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 July 2009 and 30 June 2010	2,031,483,833	203,148
Bonus issue of shares by capitalisation of the share premium account	311,191,645	31,119
Shares issued upon conversion of convertible notes	99,516	10
Shares repurchased	(5,862,000)	(586)
At 31 March 2011	2,336,912,994	233,691

Pursuant to the ordinary resolution in relation to the bonus issue of shares (with convertible notes alternative) passed at the extraordinary general meeting of the Company held on 1 November 2010, 311,191,645 bonus shares of HK\$0.1 each were issued on 25 November 2010 to the shareholders who were entitled to those bonus shares and did not elect to receive the convertible notes.

Convertible notes in the amount of HK\$172,029,218.80 were issued to shareholders who elected for the convertible note alternative, and the same amount was capitalised from the Company's share premium account as reserve arising from issuance of convertible notes. Holders of the convertible notes are entitled to convert into an equivalent number of shares as the number of bonus shares which the noteholders would otherwise be entitled to receive under the bonus issue.

	Number of fully paid ordinary shares to be issued upon conversion	Amount <i>HK\$'000</i>
Reserve arising from issuance of convertible notes	1,720,292,188	172,029
Conversion of convertible notes	(99,516)	(10)
At 31 March 2011	1,720,192,672	172,019

Upon conversion of all the outstanding Notes, the issued share capital of the Company would consist of 4,057,105,666 fully paid ordinary shares of HK\$0.1 each.

DIVIDEND

The Board of Directors (the “Board”) of the Company does not recommend the payment of an interim dividend for the nine months ended 31 March 2011 (2010: Nil).

DIRECTORS’ INTERESTS

As at 31 March 2011, 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 required, 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 as at 31.03.2011
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Other interests				
Kwok Ping-luen, Raymond	—	—	3,485,000 ¹	3,485,000	—	3,485,000	0.15
Kwok Ping-kwong, Thomas	—	—	2,140,000 ¹	2,140,000	—	2,140,000	0.09
So Chung-keung, Alfred	—	1,086	—	1,086	—	1,086	0
King Yeo-chi, Ambrose	1,000	—	—	1,000	—	1,000	0

Notes:

- Of these shares in the Company, Messrs. Kwok Ping-luen, Raymond and Kwok Ping-kwong, Thomas were deemed to be interested in 2,140,000 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.
- By letter dated 19 April 2010, Mr. Kwok Ping-sheung, Walter requested the Company to add this note: “Mr. Kwok Ping-sheung, Walter has informed the Company that he disputes the cessation of his interest in 1,070,000 shares in the Company as disclosed in the disclosure form under Part XV of the SFO dated 23 September, 2009 which was made without his authorization”.
- Prior to the letter dated 19 April 2010 referred to in Note 2 above, Mr. Kwok Ping-sheung, Walter had twice confirmed in writing to the Company, for the purposes of the 2009-10 First Quarterly Report and the 2009-10 Half-year Report, the cessation of his interest in 1,070,000 shares in the Company.
- By letter dated 25 October 2010, Mr. Kwok Ping-sheung, Walter reiterated to the Company that his “beneficial interests in the SHKP (including the cessation of the questioned 11,743,800 shares on 23 September 2009 and the additional acquisition of the questioned 4,316,181 shares on 26 April 2010) and SUNeVision shares are still under dispute”.

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 as at 31.03.2011
	Personal interests (held as beneficial owner)	Family interests		Corporate interests (interests of corporation)	Other interests				
		interests (interests of spouse or child under 18)	interests						
Kwok Ping-luen, Raymond	75,000	—	—	394,463,978 ¹	394,538,978	100,000 ²	394,638,978	15.36	
Kwok Ping-kwong, Thomas	1,976,281	304,065	—	391,320,297 ¹	393,600,643	148,000 ³	393,748,643	15.32	
Tung Chi-ho	—	—	—	—	—	80,000 ³	80,000	0	
Wong Chin-wah	—	—	—	—	—	80,000 ³	80,000	0	
So Wai-kei, Godwin	—	—	—	—	—	24,000 ³	24,000	0	
Kwok Ping-sheung, Walter	75,000	—	—	1,087,663,522	1,087,738,522	—	1,087,738,522 ⁴⁶⁶	42.32	
Chan Kui-yuen, Thomas	—	66,000	126,500 ⁷	—	192,500	100,000 ³	292,500	0.01	
So Chung-keung, Alfred	191,313	6,500	—	—	197,813	80,000 ³	277,813	0.01	
Siu Hon-wah, Thomas	—	—	—	7,000 ⁸	7,000	—	7,000	0	

Notes:

- Each of Mr. Kwok Ping-luen, Raymond and Mr. Kwok Ping-kwong, Thomas was deemed to be interested in 371,286,430 shares in SHKP respectively by virtue of each of them being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO. Of the respective 371,286,430 shares in SHKP in which each of Mr. Kwok Ping-luen, Raymond and Mr. Kwok Ping-kwong, Thomas was deemed to be interested, 16,059,981 shares represented the same interests and were duplicated between these two Directors.
- The trustee of certain trusts, which indirectly are interested in a total of 1,081,739,328 shares in SHKP, informed the Company on 2 November 2010 that consequent upon a re-organisation of such trusts, the “interests” as deemed under the provisions of the SFO of the various Kwok family members who are directors of SHKP in the said 1,081,739,328 shares in SHKP with effect from 29 September 2010 were as follows:
 - Madam Kwong Siu Hing continues to be interested in all the said 1,081,739,328 shares in SHKP;
 - Each of Mr Kwok Ping Kwong Thomas and Mr Kwok Ping Luen Raymond is interested in 371,286,430 shares out of the said 1,081,739,328 shares in SHKP; and
 - Mr Kwok Ping Sheung Walter is not interested in any of the said 1,081,739,328 shares in SHKP.”

3. These represented the interests in the underlying shares of SHKP in respect of the share options (which are unlisted and physically settled equity derivatives) granted by SHKP under its share option scheme. The outstanding options granted by SHKP to the Directors of the Company under the scheme as at 31 March 2011 were as follows:

Name of Director	Date of grant	Exercise price per share	Exercise period	Number of share options				
				Balance as at 01.07.2010	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance as at 31.03.2011
		<i>HK\$</i>						
Kwok Ping-luen, Raymond	12.07.2010	111.40	12.07.2011 to 11.07.2015	N/A	100,000	—	—	100,000
Kwok Ping-kwong, Thomas	12.07.2010	111.40	12.07.2011 to 11.07.2015	N/A	148,000*	—	—	148,000
Tung Chi-ho	12.07.2010	111.40	12.07.2011 to 11.07.2015	N/A	80,000	—	—	80,000
Wong Chin-wah	12.07.2010	111.40	12.07.2011 to 11.07.2015	N/A	80,000	—	—	80,000
So Wai-kei, Godwin	12.07.2010	111.40	12.07.2011 to 11.07.2015	N/A	24,000	—	—	24,000
Chan Kui-yuen, Thomas	12.07.2010	111.40	12.07.2011 to 11.07.2015	N/A	100,000	—	—	100,000
So Chung-keung, Alfred	12.07.2010	111.40	12.07.2011 to 11.07.2015	N/A	80,000	—	—	80,000

* Of these 148,000 share options, Mr. Kwok Ping-kwong, Thomas was deemed to be interested in 48,000 share options by virtue of his spouse's interests in such share options.

The above-mentioned share options of SHKP can be exercised up to 30% of the grant during the period from 12 July 2011 to 11 July 2012, up to 60% of the grant during the period from 12 July 2012 to 11 July 2013 and in whole or in part of the grant during the period from 12 July 2013 to 11 July 2015.

4. By letter dated 19 April 2010, Mr. Kwok Ping-sheung, Walter requested the Company to add this note: "Mr. Kwok Ping-sheung, Walter has informed the Company that he disputes the cessation of his interest in 11,743,800 shares in Sun Hung Kai Properties Limited as disclosed in the disclosure form under Part XV of the SFO dated 23 September, 2009 which was made without his authorization".

5. Prior to the letter dated 19 April 2010 referred to in Note 4 above, Mr. Kwok Ping-sheung, Walter had twice confirmed in writing to the Company, for the purposes of the 2009–10 First Quarterly Report and the 2009–10 Half-year Report, the cessation of his interest in 11,743,800 shares in SHKP.
6. By letter dated 25 October 2010, Mr. Kwok Ping-sheung, Walter reiterated to the Company that his “beneficial interests in the SHKP (including the cessation of the questioned 11,743,800 shares on 23 September 2009 and the additional acquisition of the questioned 4,316,181 shares on 26 April 2010) and SUNeVision shares are still under dispute”.
7. These shares were held by a company which is obliged to act in accordance with the instructions of Mr. Chan Kui-yuen, Thomas.
8. These shares were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.

(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 as at 31.03.2011
	Other interests	Total			
Kwok Ping-luen, Raymond	4,475,534 ¹	4,475,534	—	4,475,534	0.87

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 as at 31.03.2011	Actual holding through corporation	Actual % interests in issued shares as at 31.03.2011
Splendid Kai Limited	2,500	25	1,500 ¹	15
Hung Carom Company Limited	25	25	15 ¹	15
Tinyau Company Limited	1	50	1 ¹	50
Open Step Limited	8	80	4 ¹	40

Note:

- Messrs. Kwok Ping-luen, Raymond 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 March 2011, 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

The Company once adopted a share option scheme (the "Old Scheme"). By ordinary shareholders' resolutions of the Company passed at the annual general meeting held on 3 December 2002, the Company had adopted another share option scheme (the "New Scheme") and terminated the Old 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 extraordinary general meeting held on the same day.

During the nine months ended 31 March 2011, no share options were granted under the New Scheme.

Save as disclosed above, at no time during the nine months ended 31 March 2011 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 March 2011, 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	Number of shares held	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.03.2011
Sunco Resources Limited ¹ ("Sunco")	1,719,427,500	1,719,427,500 ²	3,438,855,000	147.15
SHKP ³	1,719,427,500	1,719,427,500 ²	3,438,855,000	147.15
HSBC Trustee (C.I.) Limited ⁴ ("HSBCTCI")	1,721,567,500	1,719,427,500 ²	3,440,995,000	147.24

Notes:

1. Sunco is the beneficial owner of the 1,719,427,500 shares of the Company and the derivative interests referred to in Note 2 below.
2. These represented the interests in the underlying shares of the Company in respect of the Convertible Notes (which are unlisted, non-transferable, irredeemable and physically settled equity derivatives) in the amount of HK\$171,942,750 convertible into 1,719,427,500 shares of the Company at the conversion price of HK\$0.10 per share (subject to adjustment in accordance with the Deed Poll constituting the Convertible Notes) upon the exercise of the conversion rights attached to the Convertible Notes.

3. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 3,438,855,000 shares of the Company (including 1,719,427,500 underlying shares referred to in Note 2 above) held by Sunco for the purpose of Part XV of the SFO.
4. As HSBCTCI is entitled to control the exercise of one-third or more of the voting power at general meetings of SHKP, HSBCTCI is deemed to have interest in the 3,438,855,000 shares of the Company (including 1,719,427,500 underlying shares referred to in Note 2 above) held by SHKP for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 March 2011, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERESTS OF OTHER PERSONS

During the nine months ended 31 March 2011, other than the interests in shares and underlying shares of the Company and its associated corporations held by the Directors, the chief executive and the substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register required to be kept under Section 336 of the SFO.

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 controlling 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 third quarterly results for the nine months ended 31 March 2011 and has provided advice and comments thereon.

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

During the nine months ended 31 March 2011, the Company repurchased 5,862,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK\$5,659,330 for the enhancement of its net asset value and earnings per share. All the repurchased shares were subsequently cancelled. Details of the repurchases of shares are summarized as follows:

Month of the repurchases	Total number of ordinary shares repurchased	Price paid (per share)		Aggregate consideration paid
		Highest	Lowest	
		HK\$	HK\$	HK\$
February 2011	1,378,000	0.98	0.95	1,328,150
March 2011	4,484,000	0.99	0.94	4,331,180
	<u>5,862,000</u>			<u>5,659,330</u>

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the nine months ended 31 March 2011.

On behalf of the Board

Kwok Ping-luen, Raymond
Chairman

Hong Kong, 4 May 2011

As at the date of this Report, the Board of the Company comprises five Executive Directors, being Kwok Ping-luen, Raymond, Tsim Wing-kit, Alfred, Tung Chi-ho, Eric, Wong Chin-wah and So Wai-kei, Godwin; six Non-Executive Directors, being Kwok Ping-sheung, Walter, Kwok Ping-kwong, Thomas, Cheung Wing-yui, Siu Hon-wah, Thomas, Chan Kui-yuen, Thomas and So Chung-keung, Alfred; and three Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose and Wong Kai-man.

SUNeVision Holdings Ltd.
新意網集團有限公司

MEGATOP, MEGA-iAdvantage
399 Chai Wan Road
Chai Wan, Hong Kong

香港柴灣柴灣道399號
MEGATOP, Mega-iAdvantage