



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



2015-2016
Half-year Report
半年度業績報告

Results for the six months ended 31 December 2015
截至2015年12月31日止六個月業績



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, 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.

CHOICE OF LANGUAGE OR MEANS OF RECEIPT OF CORPORATE COMMUNICATIONS

This report is now available in printed form in English and in Chinese, and on the website of the Company at www.sunevision.com and the GEM website at www.hkgem.com.

If registered shareholders/noteholders, who have received or chosen to receive or are deemed to have consented to receive this report by electronic means, wish to receive a printed copy, or who for any reason have difficulty in receiving or gaining access to this report on the Company's website, they may obtain the same free of charge by sending a request to (a) in the case of registered shareholders, the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited ("Computershare") by post to 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by email at sunevision@computershare.com.hk; or (b) in the case of noteholders, the Company's registrar in respect of the convertible notes, Tricor Investor Services Limited ("Tricor") by post to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email at sunevision-ecom@hk.tricorglobal.com.

For registered shareholders/noteholders who wish to change their choice of language or means of receipt of the Company's future corporate communications free of charge, they could at any time notify (i) in the case of registered shareholders, Computershare by post or by email (at the address or email address mentioned above); or (ii) in the case of noteholders, Tricor by post or by email (at the address or email address mentioned above).

Highlights

- SUNeVision reported a profit attributable to owners of the Company of HK\$246.5 million for the six months ended 31 December 2015, a 0.5% increase over the same period last year
- Revenue for the period was HK\$483.0 million, a 7.8% increase over the same period last year, due principally to higher revenue from the Group's data centre operation as a result of healthy rental reversion from existing customers and business growth from new customers
- Gross profit for the period increased to HK\$310.9 million, with gross margin for the period at 64.4%
- Operating expenditures for the period increased to HK\$25.2 million, mainly due to enhancement in services, facilities and additional resources in sales and marketing in preparation for the growth in the data centre business, and increase in rental expenses for additional space at MEGA Two (Sha Tin) for a confirmed major tenant moving in this year
- The Group's financial position remains strong, with approximately HK\$1,053.1 million in cash and interest-bearing securities on hand. As at 31 December 2015, the Group had a bank borrowing of HK\$200 million

	Jul to Dec 2015 HK\$'M	Jul to Dec 2014 HK\$'M
Revenue	483.0	448.0
Gross profit	310.9	298.9
Other income	8.7	14.6
Operating expenditure *	(25.2)	(22.9)
Profit before taxation	294.4	290.6
Income tax expense	(47.9)	(45.3)
Profit for the period attributable to owners of the Company	246.5	245.3

* Selling, general and administrative expenses

Chairman's Statement

SUNeVision attained a profit attributable to owners of the Company of HK\$246.5 million for the six months ended 31 December 2015 of the financial year 2015/16, which represented a slight increase of HK\$1.2 million over the same period last year.

Revenue of the Group for the period was HK\$483.0 million, representing an increase of 7.8% compared to the same period last year. This was mainly due to a growth in revenue from the Group's data centre operations. During the period, iAdvantage continued to win new businesses and renew existing contracts with major multinational and local customers. Growth in revenue and rental reversion from existing customers is healthy. Gross profit of the Group rose to HK\$310.9 million, with gross margin for the period at 64.4%.

Operating expenditure increased to HK\$25.2 million, because of an expansion in sales and marketing resources in light of the expansion at MEGA Two and MEGA Plus (Tseung Kwan O), and increase in rental expenses for additional data centre floors at MEGA Two for a confirmed major tenant moving in this year. Overall, profit attributable to owners of the Company rose slightly to HK\$246.5 million for the first half of 2015/16 financial year.

The Group's financial position remains strong with approximately HK\$1,053.1 million in cash and interest-bearing securities on hand as of 31 December 2015, after the payment of a HK\$495.2 million final dividend for the 2014/15 financial year in November 2015. With the development of new data centre, MEGA Plus in Tseung Kwan O, a HK\$1 billion term loan facility was arranged by the end of the period and was partially drawn down for a medium-term bank borrowing of HK\$200 million. The Group will continue to be prudent in its financial management to meet the funding needs for the development of MEGA Plus and MEGA Two.

The Group is transforming the MEGA Two facility in Sha Tin into a pure data centre. The expansion in MEGA Two has been timely in capturing the increasing demand of cloud service providers, and we are completing the fit-out for new customers to move in over the next few quarters.

Construction of MEGA Plus has been progressing smoothly and is well on track for completion in 2017. When finished, it will be a state-of-the-art data centre on the only piece of data centre-dedicated land in Hong Kong. These investments and new capacity will further strengthen the Group's capacity to satisfy the increasing demand for high-tier, extensively connected data centres.

I would like to close by thanking the Board, management and every member of our committed staff for their dedication and hard work, and our shareholders for their continued confidence and support.

Kwok Ping-luen, Raymond
Chairman

Hong Kong, 1 February 2016

Chief Executive Officer's Report

OVERVIEW

SUNeVision reported its unaudited results for the first half of the 2015/16 financial year with a profit attributable to owners of the Company of HK\$246.5 million, a slight increase of 0.5% over the same period last year. The growth in profitability was primarily attributable to data centre business.

BUSINESS REVIEW

iAdvantage

During the period, iAdvantage secured various new orders from new and existing customers of its data centres, mainly comprising of telecommunication and cloud service providers. The increase in revenue from existing customers has been strong, with healthy reversion during renewals. Meanwhile, iAdvantage also continues to work on several major enhancements and expansion projects to maintain its position as a leading carrier-neutral data centre operator in Hong Kong. The optimization of its flagship MEGA facility in Chai Wan will enable better services for the increasing loading requirements of existing customers, as well as provide more capacity for new clients.

Expansion of the capacity in MEGA Two in Sha Tin continues. Upon completion of its conversion into a dedicated data centre building later this year, MEGA Two will also have instantaneous and reliable connectivity to MEGA in Chai Wan and serve as a resilient extension of MEGA to meet the needs of our customers.

With the development of MEGA Plus due for completion in 2017, iAdvantage will be competitive as the top choice for customers demanding strong connectivity, high security and low latency for their mission-critical operations. We will continue to maintain a strong presence in traditional sectors like financial services and telecommunications, while at the same time, be well positioned for capturing businesses from fast-growing segments such as cloud services and content distribution.

In addition to the investment in capacity, there are continuous improvements at existing data centres and sales and marketing resources are expanded to strengthen our current capability for further growth to serve our customers.

Super e-Technology

During the first half of the 2015/16 financial year, Super e-Technology successfully secured contracts for the installation of security surveillance, SMATV and IT systems with a combined sum of approximately HK\$11 million. Super e-Technology recognizes the second half of the financial year will be challenging for the security surveillance and SMATV sectors under an uncertain economic environment, but it will continue to actively pursue opportunities to expand its service offerings.

Super e-Network

Super e-Network continues to capture new business providing wireless LAN infrastructure in shopping malls. It is proactively seeking opportunities to bid for new projects and to expand its client base.

INVESTMENT

SUNeVision has always been prudent in its approach to financial management. At the same time, it is also committed to continued investments in existing and new infrastructure to enhance the further development of its businesses.

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's financial position remains strong after the payment of a HK\$495.2 million final dividend for the 2014/15 financial year in November 2015. The Group's cash and interest-bearing securities on hand amounted to approximately HK\$1,053.1 million and it had a medium-term bank borrowing of HK\$200 million as of the end of the period. The Group remained in net cash position (i.e. bank balances and deposits less bank borrowing) after the raising of the medium-term bank borrowing. With funding requirements for the development of the new facility in Tseung Kwan O in the short to medium terms, the Group will constantly review and assess its dividend policy and external financing strategy for the best interests of shareholders.

As of 31 December 2015, the Company had contingent liabilities in respect of guarantees for general banking facilities utilized by the Group's subsidiaries and other guarantees in the aggregate amount of HK\$212.4 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 2015, 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.

EMPLOYEES

As of 31 December 2015, the Group had 188 full-time employees. The Group is keen to motivate and retain talent, and continues to offer career progression opportunities and hold periodical reviews of compensation to recognize employee contributions and respond to changes in the employment market. Payroll costs increased as we expanded our footprint of data centres, but we believe these are worthwhile investments. We are keen to keep our best talent so bonuses were paid to selected employees to recognize outstanding performance.

Other remuneration and benefits, including medical coverage and provident fund contributions, remained at competitive levels. Various training and development opportunities continued to be offered to enhance employee capabilities. The Group also offers a share-option scheme to recognize employees who make significant contributions.

I would like to close by thanking members of the Board for their support and guidance, our staff for their dedication and commitment, and our shareholders and customers for their continued confidence and support.

Yan King-shun, Peter
Chief Executive Officer

Hong Kong, 1 February 2016

Directors' Profile

EXECUTIVE DIRECTORS

Kwok Ping-luen, Raymond (Age: 62)

Chairman

Mr. Kwok has been Chairman and an Executive Director of the Company since 29 January 2000 and is a director of certain subsidiaries of the Company. He holds a Master of Arts degree in Law from Cambridge University, a Master's 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 the chairman and managing director and an executive director of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). Prior to the appointment as chairman of SHKP, Mr. Kwok had acted as vice chairman of SHKP. He is also the chairman and a non-executive director of SmarTone Telecommunications Holdings Limited, and a non-executive director of Transport International Holdings Limited and Wing Tai Properties Limited.

In civic activities, Mr. Kwok is a director of The Real Estate Developers Association of Hong Kong and a member of the council of The Chinese University of Hong Kong.

Save as disclosed above, Mr. Kwok (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) 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. For the financial year ended 30 June 2015, Mr. Kwok received a director's fee of HK\$40,000 for being the Chairman of the Company. His director's fee is fixed by the Board 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 discretionary 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.

Yan King-shun, Peter (Age: 54)

Chief Executive Officer, Compliance Officer and Authorised Representative

Mr. Yan has been an Executive Director, the Chief Executive Officer and the authorised representative of the Company for accepting service of process and notices on behalf of the Company (under Part 16 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong) since 15 October 2013. He is also the Authorised Representative of the Company under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock

Exchange of Hong Kong Limited (the "GEM Listing Rules"). Mr. Yan has been appointed as the Compliance Officer of the Company with effect from 1 December 2015. He is a member of the Corporate Governance Committee of the Board. Mr. Yan is also a director of certain subsidiaries of the Company. He holds a Bachelor's degree in Business Administration from The Chinese University of Hong Kong and received Executive Education for Global Leadership from the Harvard Business School.

Mr. Yan has over 31 years of experience in the information technology industry and is a fellow of the Hong Kong Computer Society. He was an executive director and group chief executive officer of Computer And Technologies Holdings Limited ("C&T"). Prior to joining C&T in April 2000, he had held senior management positions in large consulting and information technology services companies including Accenture and Tradelink Electronic Commerce Limited. Mr. Yan also has extensive experience serving on a range of public services committees. He is a director of Hong Kong Data Centre Association Limited, a non-executive director of Hong Kong Cyberport Management Company Limited, Honorary Advisor of the Hong Kong Computer Society, a member of the Transport Advisory Committee and a member of the Independent Police Complaints Council.

Save as disclosed above, Mr. Yan (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the GEM Listing Rules) of the Company.

Mr. Yan has entered into a service agreement with the Company commencing on 15 October 2013 which has no fixed term of director's service and shall continue thereafter unless and until terminated by either party giving to the other notice 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. For the financial year ended 30 June 2015, Mr. Yan received a director's fee of HK\$35,000 for being the Chief Executive Officer of the Company and other emoluments of approximately HK\$6,568,000. His director's fee is fixed by the Board 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 discretionary 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.

Tung Chi-ho, Eric (Age: 56)

Mr. Tung has been an Executive Director of the Company since 29 January 2000. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from The University of Hong Kong. Mr. Tung is a member of The Hong Kong Institute of Architects and a registered Architect.

Mr. Tung is the chairman of iAdvantage Limited, a subsidiary of the Company and a director of certain subsidiaries of the Company. He has been with the Sun Hung Kai Properties group for 28 years and has been an executive director of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), since December 2013. Mr. Tung is a member of the executive committee of SHKP and an executive director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of SHKP. 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.

Save as disclosed above, Mr. Tung (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) 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. For the financial year ended 30 June 2015, Mr. Tung received a director's fee of HK\$30,000 for being a director of the Company. His director's fee is fixed by the Board 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 discretionary 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.

Wong Chin-wah (Age: 66)

Mr. Wong has been an Executive Director of the Company since 29 January 2000. He 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. Mr. Wong is also a member of the Singapore Institute of Surveyors and Valuers.

Mr. Wong is the chief executive officer of Sunevision Super e-Technology Services Limited ("Super e-Technology", a subsidiary of the Company). 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. Mr. Wong is also a director of certain subsidiaries of the Company.

Mr. Wong is a member of the executive committee of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He is an executive director of Sun Hung Kai Real Estate Agency Limited, a subsidiary of SHKP, and had held senior management positions in the DBS Bank and MTR Corporation Limited.

Save as disclosed above, Mr. Wong (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) 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. For the financial year ended 30 June 2015, Mr. Wong received a director's fee of HK\$30,000 for being a director of the Company. His director's fee is fixed by the Board 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 discretionary 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.

NON-EXECUTIVE DIRECTORS

Cheung Wing-yui (Age: 66)

Vice Chairman

Mr. Cheung is a Vice Chairman of the Company and has been a Non-Executive Director of the Company since 29 January 2000. He has been appointed as the Chairman of the Corporate Governance Committee of the Board with effect from 1 December 2015 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Cheung received a Bachelor of Commerce degree in accountancy from The University of New South Wales, Australia and is a member of the CPA Australia. He has been a practising solicitor in Hong Kong since 1979 and is a consultant of the law firm Woo Kwan Lee & Lo. Mr. Cheung was also admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore.

Mr. Cheung is a deputy chairman and a non-executive director of SmarTone Telecommunications Holdings Limited. He is also a non-executive director of 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. Mr. Cheung was a non-executive director of SRE Group Limited (November 1999 – December 2015). He is a non-executive director of Sun Hung Kai Properties Insurance Limited, which is a wholly-owned subsidiary of Sun Hung Kai Properties Limited, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Mr. Cheung is a director of The Community Chest of Hong Kong. He had held the position of deputy chairman of the council of The Open University of Hong Kong, the deputy chairman of The Hong Kong Institute of Directors Limited, a director of Po Leung Kuk, the vice chairman of the Mainland Legal Affairs Committee of The Law Society of Hong Kong and a member of the Board of Review (Inland Revenue Ordinance).

Mr. Cheung was awarded the Bronze Bauhinia Star (BBS) in 2013.

Save as disclosed above, Mr. Cheung (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Mr. Cheung. Mr. Cheung received an appointment letter from the Company for his appointment as a Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Mr. Cheung received a director's fee of HK\$170,700 for being the Vice Chairman of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. His director's fee is fixed by the Board 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 discretionary 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.

Fung Yuk-lun, Allen (Age: 47)
Vice Chairman

Mr. Fung is a Vice Chairman of the Company and has been a Non-Executive Director of the Company since 1 January 2014. He obtained an undergraduate degree (Modern History) from Oxford University and holds a doctoral degree in History and East Asian Languages from Harvard University. Mr. Fung was a recipient of a Guggenheim Fellowship in 1996. He was a Teaching Fellow at Harvard University in 1993-1994 and a visiting Assistant Professor of History at Brown University in 1996-1997.

Mr. Fung is an executive director and a member of the executive committee of Sun Hung Kai Properties Limited ("SHKP"), the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as well as the chief executive officer of the SHKP group's non-property related portfolio investments. He is also a director of certain subsidiaries of SHKP. Mr. Fung is a deputy chairman and a non-executive director of SmarTone Telecommunications Holdings Limited. He is also a non-executive director of Transport International Holdings Limited and RoadShow Holdings Limited.

Mr. Fung joined McKinsey & Company ("McKinsey"), a global management consulting company, in 1997. He primarily served clients in China and Hong Kong, and also served institutions in Europe and Southeast Asia. Mr. Fung was the co-leader of the infrastructure practice for McKinsey. He was the managing partner of McKinsey Hong Kong from 2004 to 2010. In 2011, Mr. Fung became a director of McKinsey globally, being the first Hong Kong Chinese to become a director in McKinsey's history. He was also the head of recruiting for the Asia region in McKinsey.

Mr. Fung is a member of the General Committee of the Hong Kong General Chamber of Commerce. He is the president of the Hong Kong Society for the Protection of Children, a council member of both The Hong Kong Federation of Youth Groups and The Hong Kong Management Association, and a member of the executive committee of The Hong Kong Council of Social Service. Mr. Fung is an advisory member of the Faculty of Business and Economics at The University of Hong Kong, and a council member of Sir Edward Youde Memorial Fund.

Save as disclosed above, Mr. Fung (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Mr. Fung. Mr. Fung received an appointment letter from the Company for his appointment as a Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Mr. Fung received a director's fee of HK\$32,800 for being the Vice Chairman of the Company. His director's fee is fixed by the Board 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 discretionary 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.

Tsim Wing-kit, Alfred (Age: 52)

Mr. Tsim has been a Non-Executive Director of the Company since 15 October 2013. He joined the Group in February 2000 and became an Executive Director and the Chief Financial Officer of the Company in July 2006. Mr. Tsim was appointed as the Acting Chief Executive Officer of the Company in June 2008 and subsequently as the Chief Executive Officer of the Company, a position he held until his re-designation on 15 October 2013. He 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, United Kingdom and a Diploma in Management Accounting from The Chinese University of Hong Kong. Mr. Tsim is an accountant by profession, he qualified with Price Waterhouse and is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, United Kingdom, CPA Australia, CPA Canada, CMA Canada and The Institute of Chartered Accountants in England and Wales.

Mr. Tsim is a manager of Sun Hung Kai Properties Limited, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), and a non-executive director of SmarTone Telecommunications Holdings Limited.

Save as disclosed above, Mr. Tsim (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Mr. Tsim. Mr. Tsim received an appointment letter from the Company for his appointment as a Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Mr. Tsim received a director's fee of HK\$30,000 for being a director of the Company. His director's fee is fixed by the Board 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 discretionary 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.

Siu Hon-wah, Thomas (Age: 62)

Mr. Siu has been a Non-Executive Director of the Company since 7 May 2010. He holds a MPhil degree from University of Cambridge and a PhD degree in Information Systems. Mr. Siu is a Certified Public Accountant and is a member of the British Computer Society.

Mr. Siu is a non-executive director of SmarTone Telecommunications Holdings Limited. He is also the managing director of Wilson group which is a major transport infrastructure services provider in Hong Kong and is wholly-owned by Sun Hung Kai Properties Limited, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). Prior to joining Wilson group, Mr. Siu had more than 25 years of experience in telecommunications and IT sectors. His experience covers finance, business operations and development.

Save as disclosed above, Mr. Siu (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Mr. Siu. Mr. Siu received an appointment letter from the Company for his appointment as a Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Mr. Siu received a director's fee of HK\$30,000 for being a director of the Company. His director's fee is fixed by the Board 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 discretionary 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Li On-kwok, Victor (Age: 61)

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 each of the Audit Committee and Remuneration Committee of the Board. 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.

Professor Li was an independent non-executive director of Anxin-China Holdings Limited (June 2013 – October 2015) and China.com Inc. (now known as Sino Splendid Holdings Limited) (August 2008 – July 2012 and September 2012 – May 2013).

Professor Li is the head of Department of the Electrical and Electronic Engineering Department ("EEED") at The University of Hong Kong ("HKU") and the Chair Professor of Information Engineering of the EEED at HKU. Prior to joining HKU, he 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. He was awarded the Bronze Bauhinia Star by the Government of Hong Kong in 2002.

Save as disclosed above, Professor Li (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Professor Li. Professor Li received an appointment letter from the Company for his appointment as an Independent Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Professor Li received a director's fee of HK\$160,000 for being a director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. His director's fee is fixed by the Board 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 discretionary 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.

King Yeo-chi, Ambrose (Age: 80)

Professor King has been an Independent Non-Executive Director of the Company since 1 January 2007. He is also the Chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee of the Board. 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 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, Professor King 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 has held many advisory positions to the Hong Kong Government such as Independent Commission Against Corruption, The Law Reform Commission, Central Policy Unit and 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 Hong Kong 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 (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Professor King. Professor King received an appointment letter from the Company for his appointment as an Independent Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Professor King received a director's fee of HK\$160,000 for being a director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. His director's fee is fixed by the Board 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 discretionary 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.

Wong Kai-man (Age: 65)

Mr. Wong has been an Independent Non-Executive Director of the Company since 16 January 2007. He is also the Chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee of the Board. 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. He 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 is an accountant with 32 years of experience in audit, initial public offering and computer audit.

Mr. Wong is a member of the Financial Reporting Council (FRC) and an independent non-executive director of SCMP Group Limited and VTech Holdings Limited. He serves in a number of government committees and the boards of certain non-governmental organisations. Mr. Wong was a non-executive director of Securities and Futures Commission (May 2009 – May 2015) and an independent non-executive director of China Construction Bank Corporation (November 2007 – December 2013) and Shangri-La Asia Limited (July 2006 – May 2015). He is currently a director of two charity foundations, Victor and William Fung Foundation Limited and Fung (1906) Foundation Limited. Mr. Wong is an honorary associate professor of the School of Business of The University of Hong Kong. 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.

Mr. Wong was appointed as a Justice of the Peace in 2002, awarded Bronze Bauhinia Star in 2007 by the Government of Hong Kong and awarded an honorary fellow of Lingnan University, Hong Kong and honorary fellow of City University of Hong Kong in 2013.

Save as disclosed above, Mr. Wong (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Mr. Wong. Mr. Wong received an appointment letter from the Company for his appointment as an Independent Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Mr. Wong received a director's fee of HK\$160,000 for being a director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. His director's fee is fixed by the Board 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 discretionary 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.

Kwok Kwok-chuen (Age: 62)

Mr. Kwok has been an Independent Non-Executive Director of the Company since 5 May 2012. He holds a Bachelor of Social Sciences degree from The University of Hong Kong, a Master of Philosophy degree in Economics from The Chinese University of Hong Kong and a Master of Social Sciences degree in Public Administration from The University of Hong Kong.

Mr. Kwok is an independent non-executive director of DBS Bank (Hong Kong) Limited. He has been an honorary senior research fellow in the School of Economics & Finance, The University of Hong Kong since November 2008, after resigning from the job of Government Economist for the Hong Kong SAR Government (the "Government"), a post that he served from 2004 to 2008. Before joining the Government, Mr. Kwok was the regional chief economist of Standard Chartered Bank (Hong Kong) Limited for the East Asia region. He was also a senior economist of The Hongkong and Shanghai Banking Corporation Limited.

Mr. Kwok has served on numerous committees and boards in Hong Kong. He is now a member of the Currency Board Sub-Committee of the Exchange Fund Advisory Committee, a member of the Hong Kong Port Development Council, a member of the Competition Commission, a member of the Aviation Development and Three-runway System Advisory Committee, and a member of the Steering Committee and the Investment Committee of the HKSAR Government Scholarship Fund and a member of the Investment Committee of the Self-Financing Post-secondary Education Fund.

Mr. Kwok also served as the chairman of the Hong Kong Coalition of Service Industries, the vice chairman of the Economic Policy Committee of the Hong Kong General Chamber of Commerce, and the honorary economist of the British Chamber of Commerce in Hong Kong. He was awarded the Bronze Bauhinia Star in 1999 and was appointed a Justice of the Peace in 2003 by the Government, in recognition of his long and dedicated public service.

Save as disclosed above, Mr. Kwok (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Mr. Kwok. Mr. Kwok received an appointment letter from the Company for his appointment as an Independent Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Mr. Kwok received a director's fee of HK\$100,000 for being a director of the Company. His director's fee is fixed by the Board 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 discretionary 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.

Lee Wai-kwong, Sunny (Age: 56)

Mr. Lee has been an Independent Non-Executive Director of the Company since 1 November 2013. He holds a Bachelor's Degree and Master's Degree in Operations Research & Industrial Engineering, both from Cornell University in the USA. Mr. Lee is a Distinguished Fellow of Hong Kong Computer Society and Fellow of Hong Kong Institute of Engineers.

Mr. Lee is the vice-president (Administration) of City University of Hong Kong. He has more than 30 years of experience in business and technology management gained in both Hong Kong and overseas. Mr. Lee was the executive director of information technology ("IT") of The Hong Kong Jockey Club ("HKJC"), where he served as member of board of management and had overall responsibility for HKJC's IT strategy and innovation.

Prior to joining HKJC, Mr. Lee served at The Hong Kong and China Gas Company Limited (Towngas) where he was an executive committee member and held a number of key positions thereat, including chief information officer of the group and chief executive officer of two strategic diversification businesses, iCare.com Limited and Towngas Telecommunications Company Limited.

During the early 1990's, Mr. Lee was vice president and systems director of the Bank of America in Hong Kong, where he played a key role in building up IT capabilities to support the bank's business expansion in Asia. He has also held key IT positions in the financial, management consulting and manufacturing industries in the USA.

Mr. Lee takes time to serve in many high level governing and advisory committees in the academic, professional and community arena. He is a board director of The Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI), the board chairman of Hong Kong Education City, a council member of Hong Kong Management Association and an audit committee member of Hong Kong Housing Society. Mr. Lee is also a past president of Hong Kong Computer Society, a past chairman of the Hong Kong Institute of IT Professional Certification and a past council member of Vocational Training Council.

Mr. Lee was a recipient of Hong Kong's Ten Outstanding Young Digi Persons Award in 1999, Asia CIO Award in 2002 and 2007, China Top CIO Award in 2007, 2009 Asian IT Influencer recognition, 2009 China Best Value CIO Award, and 2011 Hong Kong CIO Outstanding Achievement Award. He was appointed a Justice of the Peace in 2010 and was a torchbearer of the 2008 Beijing Olympics, representing Hong Kong's IT achievers.

Save as disclosed above, Mr. Lee (i) did not hold any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other position in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of the Company.

There is no service contract entered into between the Company and Mr. Lee. Mr. Lee received an appointment letter from the Company for his appointment as an Independent Non-Executive Director of the Company for a period not exceeding three years, 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. For the financial year ended 30 June 2015, Mr. Lee received a director's fee of HK\$100,000 for being a director of the Company. His director's fee is fixed by the Board 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 discretionary 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.

SENIOR MANAGEMENT

The Executive Directors of the Company are also members of senior management of the Group.

Consolidated Income Statement

For the three and six months ended 31 December 2015

	Notes	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
		2015	2014	2015	2014
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue		243,715	223,051	483,047	448,014
Cost of sales		(87,275)	(73,995)	(172,122)	(149,131)
Gross profit		156,440	149,056	310,925	298,883
Other income	3	4,986	7,104	8,720	14,656
Selling expenses		(2,199)	(2,423)	(4,048)	(3,921)
Administrative expenses		(10,597)	(9,485)	(21,199)	(19,008)
Profit before taxation		148,630	144,252	294,398	290,610
Income tax expense	4	(24,108)	(22,531)	(47,920)	(45,293)
Profit for the period attributable to owners of the Company	5	124,522	121,721	246,478	245,317
Earnings per share – Basic (Remark)	6	3.08 cents	3.01 cents	6.10 cents	6.07 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 are made in respect of shares repurchased. Details of earnings per share calculation and the Company's share capital are set out in notes 6 and 13 respectively.

Consolidated Statement of Comprehensive Income

For the three and six months ended 31 December 2015

	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Profit for the period	124,522	121,721	246,478	245,317
Other comprehensive income/ (expense) for the period				
Items that may be reclassified subsequently to the consolidated income statement:				
Change in fair value of investments	2,199	(3,836)	2,680	(6,376)
Exchange differences arising from translation of operations outside Hong Kong	(12)	(10)	(30)	1
	2,187	(3,846)	2,650	(6,375)
Total comprehensive income for the period	126,709	117,875	249,128	238,942
Total comprehensive income attributable to:				
Owners of the Company	126,972	118,037	249,729	238,941
Non-controlling interests	(263)	(162)	(601)	1
	126,709	117,875	249,128	238,942

Consolidated Statement of Financial Position

At 31 December 2015

	Notes	(Unaudited) 31 December 2015 HK\$'000	(Audited) 30 June 2015 HK\$'000
Non-current assets			
Investment properties		1,357,000	1,357,000
Property, plant and equipment	7	1,623,336	1,504,265
Investments	8	425,611	399,562
		3,405,947	3,260,827
Current assets			
Investments	8	39,735	85,556
Inventories		3,686	1,953
Trade and other receivables	9	124,470	82,203
Amounts due from customers for contract works		5,949	8,935
Bank balances and deposits		591,482	768,515
		765,322	947,162
Current liabilities			
Trade and other payables	10	381,513	316,336
Deferred revenue	11	35,384	34,714
Tax payables		70,776	110,724
		487,673	461,774
Net current assets		277,649	485,388
Total assets less current liabilities		3,683,596	3,746,215

Consolidated Statement of Financial Position (continued)

At 31 December 2015

	Notes	(Unaudited) 31 December 2015 HK\$'000	(Audited) 30 June 2015 HK\$'000
Non-current liabilities			
Bank borrowing	12	200,000	–
Deferred tax liabilities		76,950	79,247
Deferred revenue	11	136,354	150,610
		413,304	229,857
		3,270,292	3,516,358
Capital and reserves			
Share capital	13	232,237	232,237
Reserve arising from issuance of convertible notes	13	172,003	172,003
Other reserves		2,852,651	3,098,116
Equity attributable to owners of the Company		3,256,891	3,502,356
Non-controlling interests		13,401	14,002
Total equity		3,270,292	3,516,358

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2015

	Attributable to owners of the Company 2015								
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note)	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2015	232,237	2,315,239	172,003	1,487	1,123	780,267	3,502,356	14,002	3,516,358
Profit for the period	-	-	-	-	-	246,478	246,478	-	246,478
Change in fair value of investments	-	-	-	-	2,680	-	2,680	-	2,680
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	571	-	-	571	(601)	(30)
Total comprehensive income/(expense) for the period	-	-	-	571	2,680	246,478	249,729	(601)	249,128
Conversion of convertible notes (note 13)	-	-	-	-	-	-	-	-	-
Final dividend and distribution paid	-	-	-	-	-	(495,194)	(495,194)	-	(495,194)
At 31 December 2015	232,237	2,315,239	172,003	2,058	3,803	531,551	3,256,891	13,401	3,270,292

	Attributable to owners of the Company 2014								
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note)	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2014	232,234	2,315,239	172,006	1,490	11,958	674,124	3,407,051	13,998	3,421,049
Profit for the period	-	-	-	-	-	245,317	245,317	-	245,317
Change in fair value of investments	-	-	-	-	(6,376)	-	(6,376)	-	(6,376)
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	-	-	-	1	1
Total comprehensive income/(expense) for the period	-	-	-	-	(6,376)	245,317	238,941	1	238,942
Final dividend and distribution paid	-	-	-	-	-	(463,259)	(463,259)	-	(463,259)
At 31 December 2014	232,234	2,315,239	172,006	1,490	5,582	456,182	3,182,733	13,999	3,196,732

Consolidated Statement of Changes in Equity (continued)

For the six months ended 31 December 2015

Note:

Pursuant to an ordinary resolution in relation to the bonus issue of shares (with a convertible note 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 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 1 November 2010.

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. 1,500 (2014: Nil) of the Notes were exercised and converted into shares by noteholders during the six months ended 31 December 2015. As a result, 1,720,026,833 (2014: 1,720,059,135) of the Notes remained outstanding as at 31 December 2015.

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 Notes. The Notes do not carry voting rights at any general meeting of shareholders of the Company. The noteholders can exercise the conversion rights at anytime after the issue of the Notes, subject to the terms and conditions of the deed poll constituting the Notes. The Notes were recognised as equity and are presented in reserves as reserve arising from issuance of convertible notes.

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2015

	(Unaudited) Six months ended 31 December	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net cash from operating activities	255,838	222,478
Net cash used in investing activities	(137,636)	(11,051)
Net cash used in financing activities	(295,194)	(463,259)
Net decrease in cash and cash equivalents	(176,992)	(251,832)
Cash and cash equivalents at 1 July	768,515	885,111
Effect of foreign exchange rate changes	(41)	–
Cash and cash equivalents at 31 December, represented by bank balances and deposits	591,482	633,279

Notes to the Condensed Interim Financial Statements

1. BASIS OF PREPARATION

The Group's condensed interim 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. The principal accounting policies used in the condensed interim financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2015. The financial statements are unaudited but have been reviewed by the Audit Committee.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning 1 July 2015, the application has no material impact on the reported results and the financial position of the Group for the current and/or prior accounting periods. 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. SEGMENT INFORMATION

Segment profit represents the profit earned by each segment without allocation of central administrative costs, directors' emoluments, interest income and investment income. This is the measure reported to the Group's management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment.

The principal activities of the operating segments and reportable segments of the Group are as follows:

- (a) Data centre and IT facilities cover the provision of data centre, facilities management, web applications and value added services.
- (b) Satellite master antenna television ("SMATV"), communal aerial broadcast distribution ("CABD"), structural cabling and security systems comprise installation and maintenance services for the respective systems.
- (c) Properties holding refers to the Group's interests in investment properties which generate rental and other related income.

2. SEGMENT INFORMATION (continued)

Segment revenue and results

An analysis of the Group's revenue and results, substantially derived from Hong Kong, by reportable segment is as follows:

For the six months ended 31 December 2015

	Data 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 total <i>HK\$'000</i>
REVENUE					
External	393,620	59,671	29,756	–	483,047
Inter-segment	540	176	1,182	(1,898)	–
Total	394,160	59,847	30,938	(1,898)	483,047
RESULTS					
Segment results	261,597	10,738	24,559	–	296,894
Unallocated corporate expenses					(10,761)
Interest income					7,861
Investment income					404
Profit before taxation					294,398

2. SEGMENT INFORMATION (continued)

Segment revenue and results (continued) For the six months ended 31 December 2014

	Data 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 total <i>HK\$'000</i>
REVENUE					
External	371,837	46,798	29,379	–	448,014
Inter-segment	564	176	1,151	(1,891)	–
Total	372,401	46,974	30,530	(1,891)	448,014
RESULTS					
Segment results	253,605	9,098	23,984	–	286,687
Unallocated corporate expenses					(10,420)
Interest income					13,592
Investment income					751
Profit before taxation					290,610

Inter-segment sales are charged at prevailing market rates.

The Group does not report regularly segment assets and liabilities to the chief operating decision maker and therefore no analysis of segment assets and liabilities is presented.

3. OTHER INCOME

	Six months ended 31 December	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest income	7,861	13,592
Investment income	404	751
Miscellaneous	455	313
	8,720	14,656

4. INCOME TAX EXPENSE

	Six months ended 31 December	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong profits tax	50,217	49,742
Deferred tax credit	(2,297)	(4,449)
	47,920	45,293

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits for the period.

5. PROFIT FOR THE PERIOD

	Six months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	48,913	53,259

6. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 31 December		Six months ended 31 December	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Earnings for the purposes of basic earnings per share	124,522	121,721	246,478	245,317
	2015 Number of shares	2014 Number of shares	2015 Number of shares	2014 Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,042,399,666	4,042,399,666	4,042,399,666	4,042,399,666

For the purposes of earnings per share, the weighted average number of ordinary shares is calculated after taking into account the effect of the issuance of bonus shares (with a convertible note alternative) in November 2010. Details of the issuance of bonus shares are set out in note 13.

There were no other dilutive potential ordinary shares in existence during the three months and six months ended 31 December 2015 and 2014.

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2015, additions to fixed assets amounted to HK\$167,986,000.

8. INVESTMENTS

	31 December 2015 HK\$'000	30 June 2015 HK\$'000
Available-for-sale investments:		
Listed debt securities, at fair value	461,636	481,408
Unlisted equity technology investments, at cost less impairment	3,710	3,710
	465,346	485,118
Carrying amount analysed for reporting purposes as:		
Non-current assets	425,611	399,562
Current assets (debt securities maturing within one year)	39,735	85,556
	465,346	485,118

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK\$70,840,000 (30 June 2015: HK\$50,998,000), of which 94% aged within 60 days, 2% between 61 to 90 days and 4% more than 90 days (30 June 2015: 88%, 5% and 7% respectively).

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

10. TRADE AND OTHER PAYABLES

	31 December 2015 HK\$'000	30 June 2015 HK\$'000
Trade payable aged within 60 days	59,839	16,896
Trade payable aged over 60 days	182	–
	60,021	16,896
Other payables	1,261	17,346
Deposits received and accruals	320,231	282,094
	381,513	316,336

11. DEFERRED REVENUE

Deferred revenue represents lump sum amounts received from customers for the set-up of facilities in respect of operating leases of data centre and IT facilities.

The carrying amount of deferred revenue is as follows:

	31 December 2015 HK\$'000	30 June 2015 HK\$'000
Current liabilities (release to the consolidated income statement within one year)	35,384	34,714
Non-current liabilities	136,354	150,610
	171,738	185,324

12. BANK BORROWING

During the period, the Group obtained a new bank loan amounting to HK\$200,000,000 (30 June 2015: Nil). The loan carries interest at the Hong Kong Interbank Offered Rate plus a specific margin and is wholly repayable in December 2018. The proceeds are used to finance the development of the data centre project-construction in progress.

13. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2014, 30 June 2015 and 31 December 2015	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 July 2014	2,322,340,531	232,234
Conversion of convertible notes	30,802	3
At 30 June 2015	2,322,371,333	232,237
Conversion of convertible notes	1,500	–
At 31 December 2015	2,322,372,833	232,237

Pursuant to an ordinary resolution in relation to the bonus issue of shares (with a convertible note 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. Accordingly, convertible notes can be converted into ordinary shares of HK\$0.1 each on a one-to-one basis.

13. SHARE CAPITAL (continued)

During the six months ended 31 December 2015, convertible notes in the amount of HK\$150 (2014: Nil) were exercised and converted into 1,500 (2014: Nil) ordinary shares of the Company.

	Number of fully paid ordinary shares to be issued/(issued) upon conversion	Amount <i>HK\$'000</i>
At 1 July 2014	1,720,059,135	172,006
Conversion of convertible notes	(30,802)	(3)
At 30 June 2015	1,720,028,333	172,003
Conversion of convertible notes	(1,500)	–
At 31 December 2015	1,720,026,833	172,003

Upon conversion of all the outstanding convertible notes, the issued share capital of the Company would be 4,042,399,666 fully paid ordinary shares of HK\$0.1 each.

Details of the bonus issue of shares (with a convertible note alternative) are set out in the circular of the Company dated 29 September 2010.

14. 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	
	2015 HK\$'000	2014 HK\$'000
Income from maintenance and repair of network infrastructure and security systems	27,619	25,965
Income from installation, operation and provision of cable networking	25,725	13,907
Space and rack rental income	1,686	1,919
Lease, licence and management fee charges	19,123	9,870
Property management service fees paid	5,136	4,763
Maintenance and repair charges of network infrastructure and security system	1,758	1,650
Network infrastructure and security system installation charges	4,267	300
Management fee charges	1,000	1,000
Insurance service charges paid	863	892
Estate agency fees paid	804	786
Cable and network rental charges	397	398
Technical service charges paid	323	352
Construction work charges	121,168	–
Project management fee charges	–	900

(b) Transaction with a director

During the period, professional fees of HK\$48,000 (2014: HK\$26,000) were paid/payable by the Group to Messrs. Woo, Kwan, Lee & Lo, a firm of solicitors which provided 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/payable by the Group to the key management personnel during the period amounted to HK\$3,860,000 (2014: HK\$3,801,000).

15. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade and other receivables, bank balances and deposits, available-for-sale investments, trade and other payables and bank borrowing.

The following table presents the carrying value of financial instruments that are measured at fair value at end of reporting date, categorised according to the level of fair value hierarchy defined as follows:

Level 1 – Fair values measured at quoted prices (unadjusted) in active markets for identical assets or liabilities.

	31 December 2015 HK\$'000	30 June 2015 HK\$'000
Available-for-sale investments:		
Listed debt securities (Level 1)	461,636	481,408

Listed investments are stated at quoted market prices. Unlisted equity investments for which fair values cannot be reliably measured are stated at cost less impairment losses.

The carrying amounts of financial assets and liabilities recorded at amortised costs in the financial statements approximate to their fair values.

There was no transfer of financial assets and liabilities between fair value hierarchy classifications during the six months ended 31 December 2015.

16. CAPITAL COMMITMENTS

	31 December 2015 <i>HK\$'000</i>	30 June 2015 <i>HK\$'000</i>
Capital expenditure in respect of acquisition of plant and equipment contracted for but not provided in the financial statements	26,332	10,990
Capital expenditure in respect of development of construction in progress contracted for but not provided in the financial statements	937,590	1,067,849

17. CONTINGENT LIABILITIES

As at 31 December 2015, the Company has contingent liabilities in respect of guarantees for general banking facilities utilised by group subsidiaries and other performance guarantees in the aggregate of HK\$212,445,000 (30 June 2015: HK\$12,445,000).

Dividend

The board of Directors of the Company (the "Board") does not recommend the payment of an interim dividend for the six months ended 31 December 2015 (2014: Nil).

Directors' Interests

As at 31 December 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to 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				Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2015
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Other interests	Total			
Kwok Ping-luen, Raymond	-	-	3,485,000 ¹	3,485,000	-	3,485,000	0.15
King Yeo-chi, Ambrose	1,000	-	-	1,000	-	1,000	0

Note:

1. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in the Company by virtue of him being a beneficiary of certain discretionary trusts 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					Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2015
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests	Total			
Kwok Ping-luen, Raymond	188,743	-	-	501,957,186 ¹	502,145,929	-	502,145,929	17.35
Tung Chi-ho, Eric	-	-	-	-	-	100,000 ² (personal interests in share options)	100,000	0
Wong Chin-wah	20,000	-	-	-	20,000	-	20,000	0
Tsim Wing-kit, Alfred	-	-	-	-	-	48,000 ² (personal interests in share options)	48,000	0
Siu Hon-wah, Thomas	-	-	-	7,000 ³	7,000	583 ^{4&5} (other interests in warrants)	7,583	0
Kwok Kwok-chuen	-	-	-	15,639 ⁶	15,639	1,303 ^{4&7} (other interests in warrants)	16,942	0

Notes:

1. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in SHKP by virtue of him being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
2. These underlying shares of SHKP held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by SHKP under its share option scheme. Particulars of these share options and their movements during the six months ended 31 December 2015 were as follows:

Name of Director	Date of grant	Exercise price per share HK\$	Exercise period	Number of share options				
				Balance as at 01.07.2015	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance as at 31.12.2015
Tung Chi-ho, Eric	11.07.2014	106.80	11.07.2015 to 10.07.2019	100,000	-	-	-	100,000
Tsim Wing-kit, Alfred	11.07.2014	106.80	11.07.2015 to 10.07.2019	48,000	-	-	-	48,000

The share options of SHKP can be exercised up to 30% of the grant from the first anniversary of the date of grant, up to 60% of the grant from the second anniversary of the date of grant, and in whole or in part of the grant from the third anniversary of the date of grant.

3. These shares were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.
4. These underlying shares of SHKP held under equity derivatives represented warrants issued by SHKP (being regarded for the time being as listed physically settled equity derivatives), each of which entitles the holder thereof to subscribe at any time during the period from 23 April 2014 to 22 April 2016 (both days inclusive) for one (1) fully paid new share in SHKP at an initial subscription price of HK\$98.60 per new share (subject to adjustment).
5. These warrants were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.
6. These shares were jointly held by Mr. Kwok Kwok-chuen and his spouse.
7. These warrants were jointly held by Mr. Kwok Kwok-chuen 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 31.12.2015
	Personal interests (held as beneficial owner)	Other interests	Total			
Kwok Ping-luen, Raymond	-	4,565,544 ¹	4,565,544	-	4,565,544	0.43
Fung Yuk-lun, Allen	247,500	-	247,500	-	247,500	0.02

Note:

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

(c) Mr. Kwok Ping-luen, Raymond had the following interests in shares of the following associated corporations of the Company:

Name of associated corporation	Attributable shares held through corporation	Attributable % of shares in issue through corporation as at 31.12.2015	Actual shares held through corporation	Actual % of interests in shares as at 31.12.2015
Splendid Kai Limited	2,500	25.00	1,500 ¹	15.00
Hung Carom Company Limited	25	25.00	15 ¹	15.00
Tinyau Company Limited	1	50.00	1 ¹	50.00
Open Step Limited	8	80.00	4 ¹	40.00

Note:

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

Save as disclosed above, as at 31 December 2015, none of the Directors or chief executive of the Company had any interests 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 were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required 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

By an ordinary resolution of the Company passed at its annual general meeting held on 3 December 2002, the Company adopted a share option scheme (the "Old Scheme"). The Old Scheme became effective on 5 December 2002 following the passing of an ordinary resolution approving the same by the then shareholders of SHKP at its extraordinary general meeting held on the same day.

At the extraordinary general meeting of the Company held on 1 November 2011, an ordinary resolution was passed by the shareholders of the Company (the "Shareholders") for approving the adoption of a new share option scheme (the "Proposed Scheme") in contemplation of the transfer of listing of the shares in the Company to the Main Board of The Stock Exchange of Hong Kong Limited then proposed and the termination of the Old Scheme when the Proposed Scheme became effective. As the Company did not proceed with the application for the transfer of listing of its shares in 2012 (please refer to the announcement of the Company dated 10 June 2012), not all the conditions to which the Proposed Scheme was subject were fulfilled and the Proposed Scheme therefore did not take effect. Consequently, the Proposed Scheme can no longer be implemented as originally contemplated and no share options have been and will be granted under the Proposed Scheme.

Due to the expiry of the Old Scheme on 3 December 2012, an ordinary resolution was passed by the Shareholders at the annual general meeting held on 1 November 2012 for adopting a new share option scheme (the "2012 Scheme") and terminating the Old Scheme. The adoption of the 2012 Scheme and the termination of the Old Scheme became effective on 15 November 2012 following the passing of an ordinary resolution approving the same by the then shareholders of SHKP at its annual general meeting held on the same day. No share options can be granted under the Old Scheme upon its termination.

During the six months ended 31 December 2015, (i) there were no outstanding share options under the Old Scheme; and (ii) no share options have been granted under the 2012 Scheme.

2. ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes as mentioned above, at no time during the six months ended 31 December 2015 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 any other body corporate.

Interests of Substantial Shareholders

As at 31 December 2015, the interests or short positions of the persons, other than Directors or chief executive of the Company, 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, were as follows:

Name	Number of shares held	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at 31.12.2015
Sunco Resources Limited ("Sunco") ¹	1,719,427,500	1,719,427,500 ²	3,438,855,000	148.08
SHKP ³	1,719,427,500	1,719,427,500 ²	3,438,855,000	148.08

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 dated 25 November 2010) 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.

Save as disclosed above, as at 31 December 2015, the Company had not been notified by any persons (other than Directors or chief executive 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 six months ended 31 December 2015, 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 by the Company 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 above, none of the Directors or the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) have any interest in any business which competes or may compete with the business of the Group during the six months ended 31 December 2015.

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 written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed this report and has provided advice and comments thereon.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 31 December 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

Compliance with the Required Standard of Dealings in Securities Transactions by Directors of Listed Issuers

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in the securities of the Company. Upon the Company's specific enquiry, each Director has confirmed that during the six months ended 31 December 2015, he has fully complied with the required standard of dealings and there is no event of non-compliance.

Corporate Governance Code

Throughout the six months ended 31 December 2015, the Group has complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules, except that the Chairman of the Board was unable to attend the annual general meeting of the Company held on 30 October 2015 due to other commitments.

On behalf of the Board

Kwok Ping-luen, Raymond
Chairman

Hong Kong, 1 February 2016

As at the date of this report, the Board comprises four Executive Directors, being Kwok Ping-luen, Raymond, Yan King-shun, Peter, Tung Chi-ho, Eric and Wong Chin-wah; four Non-Executive Directors, being Cheung Wing-yui, Fung Yuk-lun, Allen, Tsim Wing-kit, Alfred and Siu Hon-wah, Thomas; and five Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose, Wong Kai-man, Kwok Kwok-chuen and Lee Wai-kwong, Sunny.

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

www.sunevision.com