Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1686)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

(in HK$ million, unless specified)

For the 6 months ended 31 December	2019	2020	% Change
Continuing operations			
- Revenue	819	923	+13%
- EBITDA	565	662	+17%
Underlying profit attributable to owners of the Company[1]	335	389	+16%

[1] *Excluding the increase in fair value on investment properties*

RESULTS

During the period under review, the Group's revenue from continuing operations increased 13% year on year to HK$923 million, driven mainly by the continuing expansion of hyperscale and cloud customers in the data centre business. EBITDA from continuing operations rose 17% year on year to HK$662 million. Underlying profit for the period attributable to owners of the Company increased 16% year on year to HK$389 million.

BUSINESS REVIEW

COVID-19's impact on society and businesses has not shown any signs of abating over the past six months. We continued to see sustained acceleration of digitisation and the adoption of technologies that enabled remote productivity and engagement, including video-conferencing, e-learning, e-commerce, solutions for remote work, gaming, etc. This has enabled a substantial growth in data traffic, which in turn has resulted in unlocking demand for higher quality data centres, especially because many online tasks are now mission critical. These trends are expected to play into SUNeVision's strengths as SUNeVision focuses on servicing top-tier cloud and enterprise customers who are highly demanding in quality. The Group expects these trends to continue beyond the pandemic and drive growth for data centres services.

The pandemic brought with it operational challenges as well. There is a strong need for us to ensure "business as usual" for ourselves and for our customers even as strict social distancing was in place. As a result, we took a number of measures to minimize the risk of operational disruption, and to protect the health and safety of our employees and customers. We are happy to report that the network connectivity across our data centre campus has remained fully operational during this critical time.

SUNeVision's data centre business is driven by the following two different sets of demand, both of which saw strong growth over the past six months.

Firstly, the demand for "connectivity" has accelerated as the need for video conferencing, e-commerce, gaming and other online applications increased during COVID-19. Our MEGA-i has been a major connectivity hub in Asia for many years, with virtually every significant player in the digital industry included among its tenants. The recent uptake in demand for connectivity due to the pandemic has further strengthened this business.

Secondly, the demand from enterprises and cloud/hyperscale players has increased. As businesses require increasingly more capacity to house their growing data needs, they need to procure more data centre space directly and/or move to cloud. Cloud adoption has certainly started to take off in Hong Kong, similar to other parts of the world. During the last six months, we saw a particularly strong demand from the cloud players. We now provide services for the majority of the leading global and Asian cloud players. Our customers like the fact that we provide superior infrastructure, as both MEGA Two and MEGA Plus are designed to meet the demand for high power density and to provide resilience against any power disruption. They also like the fact that we provide first-rate service in ensuring there is no disruption. We pride ourselves on having built strong working relationships with the leading cloud players, and we expect to grow with them as cloud adoption ramps up further in its next phase.

SUNeVision believes that the growth of the data centre industry in Hong Kong is beneficial to every participant. We are committed to providing the best infrastructure and services to our customers. At the same time, we also strongly believe in "fair" competition. In April 2020, SUNeVision lodged an appeal against the judgment on the judicial review case regarding alleged breach of the lease restrictions by data centre operators within Tseung Kwan O Industrial Estate (TKOIE) in subletting and sharing occupation of heavily subsidised land. SUNeVision would like to stress that some TKOIE data centre operators had been operating in a way that allegedly involves subletting or permitting third parties to occupy the leased premises. This is particularly problematic because the premium paid by data centre operators within TKOIE is substantially below market price. Take for instance, the land premium charged by the Hong Kong Science and Technology Parks Corporation (HKSTPC) in 2019 was at HK$600 to HK$700 per square foot range, which was significantly lower than public tendered market prices in other parts of Hong Kong. SUNeVision's data centres in Tseung Kwan O, on the other hand, are built on open tender sites with no restrictions on subletting and customer usage. SUNeVision can hence serve our customers more effectively and flexibly, and our customers will enjoy a higher degree of protection and privacy.

PROSPECTS

The outlook of SUNeVision is positive with the accelerated pace of digitisation, and the world's increasing need for high quality data centres. The launching of 5G (together with the related applications) will further increase data traffic and demand for data centre services. Hong Kong is well positioned to remain as one of the major hubs for international connectivity, given its strong subsea cable connections, well-established connections in the region and geographical location. The Group will invest to ensure we have best-in-class infrastructures, and will also commit to high standards in Environmental Health & Safety ("EHS"), so as to provide a safe, healthy and sustainable environment for our customers and staff.

SUNeVision has strong confidence in Hong Kong, and is expanding its space and power capacity to meet the growing demand for data centre services. Our MEGA-i, which is already a major connectivity hub in Asia, has just completed a project that increased its power capacity by 40% (in the data centre industry, operators are paid by power capacity, not physical space). In 2022, we will see two new data centres being completed, namely Tsuen Wan TWTL 428 and Phase 1 of Tseung Kwan O TKOTL 131. In particular, the TKOTL 131 data centre will be a state-of-the-art data centre with superior infrastructure and ultra-high power capacity. The addition of these two new data centres will increase the physical footprint of SUNeVision by 100%, from 1.4 million square feet to 2.8 million square feet in gross floor area ("GFA"). This pipeline will provide our customers the room to grow and invest, and it also enables us to grow with them. In terms of power capacity, the new data centres will help increase our total power capacity by 200%, from around 70MW to over 200MW. This is also critical as our customers have progressively increased their power capacity requirements.

APPRECIATION

Mr. Kwok Kwok-chuen has resigned as an Independent Non-Executive Director of the Group with effect from 18 January 2021. I would like to thank him for his valuable contribution to the Group during his tenure of office. I would like to welcome Mr. Lincoln Leong who joined us as an Independent Non-Executive Director.

I would like to close by thanking all the Directors and management, and every member of our committed staff for their dedication and hard work to support our customers during the challenging time, as well as our shareholders for their continued confidence and support.

Kwok Ping-luen, Raymond
Chairman

Hong Kong, 24 February 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

iAdvantage

The Group operates data centre business via iAdvantage. It currently has five data centres under operation in Hong Kong, and two new sites that are under construction. Being the largest, most connected, carrier-neutral and cloud-neutral data centre operator in Hong Kong, with world-class facilities built around the MEGA Campus (consisting of MEGA-i, MEGA Plus and MEGA Two), iAdvantage is recognised as the preferred data centre operator to partner with in Hong Kong.

Customers of iAdvantage include global and regional cloud service providers, new economy players, telcos, Internet Service Providers (ISPs), large multinationals and local enterprises. During the period under review, the Group secured contracts from customers, in particular hyperscale and cloud customers, to further expand their operations especially at the MEGA Campus. Among these three MEGA data centres, MEGA-i has been a major connectivity hub in Asia for many years, with more than 14,000 cross-connects in an ecosystem interconnecting hundreds of telcos, ISPs, large enterprises, cloud service providers and new economy players. The upgrade of the facility to enhance its power capacity by 40% was completed during the period under review and will help significantly boost the future growth in the Group's connectivity business. MEGA Two is strategically located in Shatin the New Territories, preferred by customers with connections to China market. Revitalisation work on multiple floors of MEGA Two to serve the increasing high power-density needs of the Group's hyperscale and cloud customers was completed during the period under review. MEGA Plus, located in Tseung Kwan O, being the newest high-tier flagship data centre of the Group, has commissioned a number of global cloud service providers and new economy players, and continues to attract strong interest from these players.

Construction of new projects has advanced well on schedule. The new site TWTL 428 in Tsuen Wan has a GFA of approximately 200,000 square feet and is located near the Group's existing facilities JUMBO. The greenfield site TKOTL 131 in Tseung Kwan O, which is adjacent to MEGA Plus, has a GFA of approximately 1.2 million square feet and will support an ultra-high power of at least 120MW power capacity. TWTL 428 and Phase 1 of TKOTL 131 are targeted to complete in 2022. Upon completion of these two new sites, the total GFA of the Group's data centres in Hong Kong will increase by 100%, from 1.4 million square feet to 2.8 million square feet. The total power capacity of the Group will increase by 200%, from around 70MW to over 200MW. TKOTL 131 will be the highest power density data centre in Hong Kong and will provide our customers with capacity to expand. With the timely supply of the two new data centres and revitalisation of existing ones, the Group is well positioned to meet the upcoming growth in demand for high-end data centre facilities in Hong Kong.

The Group was pleased to receive the "2020 China IDC Industry Best Data Centre Provider (Overseas)" Award in the 15th China IDC Industry Annual Ceremony (IDCC2020) and the Renewable Energy Contribution Award presented by CLP. These awards are a recognition of the Group's leading position in the data centre industry in the region, as well as recognising the Group's contribution to environmental sustainability. The Group will continue to provide world-class data centre infrastructure, enrich the ecosystem and enhance the connectivity while implementing green initiatives.

Super e-Technology and Super e-Network

Super e-Technology secured contracts for the installation of Extra Low Voltage ("ELV") and IT systems totalling HK$23 million during the period under review. Super e-Technology is seeking new opportunities to enhance its service offerings and maintains a positive outlook for the ELV sector for the second half of the current financial year.

Super e-Network continued to work with broadband and network service providers to expand its service offerings. It has been actively pursuing new opportunities to expand its broadband and Wi-Fi solutions to different sectors.

FINANCIAL REVIEW

Review of operating results

During the period under review, the Group's revenue from continuing operations increased 13% year on year to HK$923 million, driven mainly by the continuing expansion of hyperscale and cloud customers in the data centre business, as well as the full period impact of new contracts signed in the second half of financial year 2019/20. The cost of sales increased by 6% year on year to HK$379 million, primarily due to higher depreciation charges and operating costs attributable to the expansion of the Group's data centre facilities. Operating expenditure increased 19% year on year to HK$77 million, as more resources were deployed in selling and administration of the data centre services. Operating profit from continuing operations rose 17% year on year to HK$470 million.

EBITDA from continuing operations increased 17% year on year to HK$662 million, driven mainly by EBITDA from the data centre business. The EBITDA margin from continuing operations rose to 72% from 69% in the previous period.

Finance costs reduced 46% year on year to HK$11 million mainly due to the lower interest rate as a result of the reduction in HIBOR.

Underlying profit attributable to owners of the Company increased 16% year on year to HK$389 million. With the effect from the increase in fair value of investment properties of HK$74 million (associated with discontinued operations) in the same period last year, profit attributable to owners of the Company decreased 5% year on year to HK$389 million.

Capital Investment

The revitalisation of MEGA-i and multiple floors of MEGA Two, as well as the new site developments of TWTL 428 and TKOTL 131, will enhance and expand the Group's high-tier data centre capacity to meet the increasing data demands and operational requirements of the Group's customers. The data centre business is a capital-intensive industry, requiring long-term capital investment. The Group is committed to continuing investment in existing and new infrastructure for new business development and regularly reviews its investment profile to take into account of the changing customer and market environment.

Other financial discussion and analysis

The Group had HK$303 million cash on hand as of 31 December 2020, while long-term bank borrowings were HK$7,184 million. Total net bank borrowings increased 27% to HK$6,881 million compared to HK$5,414 million as at 30 June 2020. The increase was mainly due to financing of capital expenditure to upgrade data centre facilities, build up new sites and general working capital requirements. The shareholder's loan was HK$3,300 million as at 31 December 2020, which was an unsecured 6-year fixed interest rate term loan from SHKP Group at a fixed interest rate of 3% per annum, maturing in 2025. Effective from 1 August 2020, the interest rate was amended from 4% per annum to 3% per annum. SHKP Group will continue to support the Group's development in long term.

The gearing ratio as of 31 December 2020 was 254%; if excluding the long-term unsecured shareholder's loan of HK$3,300 million from SHKP Group, such ratio was 171%.

The Group has strong liquidity to fund its growth plans in the medium term, taking into account the financial resources available including internally generated funds, available banking facilities and the shareholder's loan from SHKP Group. The Group's intention is to continue its current dividend policy.

As of 31 December 2020, the Group had no contingent liability while the Company had an aggregate of HK$7,269 million contingent liabilities in respect of guarantees for general banking facilities utilised by the Group's subsidiaries and other guarantees. 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. The Group had not pledged any of its assets as of 31 December 2020.

EMPLOYEES

The Group employed 387 full-time employees as of 31 December 2020. The health and safety of employees were taken as top priority. As the COVID-19 situation developed, the Group implemented measures to safeguard the well-being of its employees, including flexible working hour and special work arrangements and online meetings, while ensuring the highest service standards to customers are maintained.

To support business growth, the Group has been encouraging continuous learning. It is dedicated to fostering lifelong learning and organisational development through staff training. Extensive opportunities for learning, attractive career prospects and competitive remuneration are offered, in order to help enhance the careers and personal lives of its employees.

Competitiveness in the employment market was maintained through periodic reviews of the fringe benefits, including Mandatory Provident Fund contributions and medical insurance. Selected directors and employees are granted share options to recognize their contributions and to retain talents. Besides, different engagement programs were carried out regularly to improve team spirit and staff communication.

Consolidated Statement of Profit or Loss

For the six months ended 31 December 2020

	NOTES	Six months ended 31 December 2020 HK$'000 (unaudited)	2019 HK$'000 (unaudited)
Continuing operations			
Revenue	3	**923,154**	818,620
Cost of sales		**(379,203)**	(358,914)
Gross profit		**543,951**	459,706
Other income	4	**3,699**	6,337
Selling expenses		**(14,548)**	(14,486)
Administrative expenses		**(62,624)**	(50,550)
Profit from operations		**470,478**	401,007
Finance costs		**(11,082)**	(20,447)
Profit before taxation		**459,396**	380,560
Income tax expense	5	**(70,735)**	(59,748)
Profit for the period from continuing operations		**388,661**	320,812
Discontinued operations			
Profit for the period from discontinued operations		**-**	88,926
Profit for the period attributable to owners of the Company	6	**388,661**	409,738
Earnings per share based on profit from continuing and discontinued operations attributable to owners of the Company (reported earnings per share)	8(a)		
Basic (Remark (i))		**9.59 cents**	10.12 cents
Diluted (Remarks (i) and (ii))		**9.58 cents**	10.11 cents
Earnings per share excluding the effect of increase in fair value of investment properties (underlying earnings per share)	8(b)		
Basic (Remark (i))		**9.59 cents**	8.29 cents
Diluted (Remarks (i) and (ii))		**9.58 cents**	8.28 cents
Earnings per share based on profit from continuing operations attributable to owners of the Company (earnings per share from continuing operations)	8(c)		
Basic (Remark (i))		**9.59 cents**	7.93 cents
Diluted (Remarks (i) and (ii))		**9.58 cents**	7.92 cents

Remarks:

(i) Upon completion of the bonus issue of shares (with a convertible note ("Convertible Note(s)", which were constituted by the deed poll dated 25 November 2010) alternative) on 25 November 2010, the Company had 2,342,675,478 ordinary shares in issue and outstanding Convertible Notes which could be converted into 1,720,292,188 fully paid ordinary shares, representing a total of 4,062,967,666 ordinary shares which form the basis for the calculation of basic and diluted earnings per share. Adjustments are made in respect of shares repurchased.

(ii) The calculation of diluted earnings per share for the six months ended 31 December 2020 has been taken into account of 3,852,937 (2019: 4,772,880) potential ordinary shares in existence arising from certain share options granted.

Details of earnings per share calculation and the Company's share capital are set out in notes 8 and 13 respectively.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2020

	Six months ended 31 December 2020 HK$'000 (unaudited)	Six months ended 31 December 2019 HK$'000 (unaudited)
Profit for the period	**388,661**	409,738
Other comprehensive (expense) income for the period		
Items that may be reclassified subsequently to the consolidated statement of profit or loss:		
Change in fair value of debt instruments measured at fair value through other comprehensive income ("FVTOCI")	**-**	(567)
Exchange differences arising from translation of operations outside Hong Kong	**(30)**	2
	(30)	(565)
Total comprehensive income for the period	**388,631**	409,173
Total comprehensive income (expense) attributable to:		
Owners of the Company	**387,585**	409,362
Non-controlling interests	**1,046**	(189)
	388,631	409,173

Consolidated Statement of Financial Position

At 31December 2020

	NOTES	**31 December 2020** ***HK$'000*** ***(unaudited)***	30 June 2020 *HK$'000* *(audited)*
Non-current assets			
Property, plant and equipment		**15,327,161**	14,419,009
Equity instrument at FVTOCI		**3,710**	3,710
		15,330,871	14,422,719
Current assets			
Inventories		**6,801**	6,750
Trade and other receivables	9	**303,108**	257,492
Contract assets and unbilled revenue		**93,629**	92,840
Bank balances and deposits		**303,176**	401,951
		706,714	759,033
Current liabilities			
Trade and other payables	10	**1,059,764**	1,258,032
Contract liabilities		**79,683**	83,501
Lease liabilities		**2,140**	1,771
Tax payables		**62,084**	111,937
		1,203,671	1,455,241
Net current liabilities		**(496,957)**	(696,208)
Total assets less current liabilities		**14,833,914**	13,726,511
Non-current liabilities			
Contract liabilities		**24,545**	31,372
Lease liabilities		**3,405**	1,751
Deferred tax liabilities		**292,388**	251,671
Bank borrowings	11	**7,184,092**	5,816,494
Shareholder's loan	12	**3,300,000**	3,300,000
		10,804,430	9,401,288
Net assets		**4,029,484**	4,325,223
Capital and reserves			
Share capital	13	**233,521**	232,919
Reserve arising from issuance of convertible notes	13	**172,002**	172,002
Other reserves		**3,608,961**	3,906,348
Equity attributable to owners of the Company		**4,014,484**	4,311,269
Non-controlling interests		**15,000**	13,954
Total equity		**4,029,484**	4,325,223

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2020

	Attributable to owners of the Company									
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Reserve arising from issuance of convertible notes** *HK$'000* (Note)	**Share option reserve** *HK$'000*	**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 2020 (audited)	232,919	2,334,287	172,002	22,338	3,117	-	1,546,606	4,311,269	13,954	4,325,223
Profit for the period	-	-	-	-	-	-	388,661	388,661	-	388,661
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	(1,076)	-	-	(1,076)	1,046	(30)
Total comprehensive income (expense) for the period	-	-	-	-	(1,076)	-	388,661	387,585	1,046	388,631
Exercise of share options (note 13)	602	19,548	-	(3,142)	-	-	-	17,008	-	17,008
Recognition of equity-settled share-based payments	-	-	-	8,174	-	-	-	8,174	-	8,174
Final dividend and distribution paid (note 7)	-	-	-	-	-	-	(709,552)	(709,552)	-	(709,552)
At 31 December 2020 (unaudited)	**233,521**	**2,353,835**	**172,002**	**27,370**	**2,041**	**-**	**1,225,715**	**4,014,484**	**15,000**	**4,029,484**

	Attributable to owners of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Reserve arising from issuance of convertible notes *HK$'000* (Note)	Share option reserve *HK$'000*	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 2019 (audited)	232,658	2,326,982	172,002	10,500	2,673	567	1,431,370	4,176,752	14,393	4,191,145
Profit for the period	-	-	-	-	-	-	409,738	409,738	-	409,738
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	191	-	-	191	(189)	2
Change in fair value of debt instrument measured at FVTOCI	-	-	-	-	-	(567)	-	(567)	-	(567)
Total comprehensive income (expense) for the period	-	-	-	-	191	(567)	409,738	409,362	(189)	409,173
Exercise of share options	197	5,525	-	(829)	-	-	-	4,893	-	4,893
Recognition of equity-settled share-based payments	-	-	-	6,555	-	-	-	6,555	-	6,555
Final dividend and distribution paid (note 7)	-	-	-	-	-	-	(668,013)	(668,013)	-	(668,013)
At 31 December 2019 (unaudited)	232,855	2,332,507	172,002	16,226	2,864	-	1,173,095	3,929,549	14,204	3,943,753

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 the 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. This reserve balance represented the aggregate amount of the Convertible Notes outstanding at the period end. No Convertible Notes were exercised and converted into ordinary shares by noteholders during the six months ended 31 December 2020 and 2019. As a result, the Convertible Notes in the amount of HK$172,001,633.30 (31 December 2019: HK$172,001,683.30) remained outstanding as at 31 December 2020.

The Convertible Notes are unlisted, non-transferable and irredeemable but have conversion rights entitling the noteholders to convert into an equivalent number of shares as the number of bonus shares which the noteholders would otherwise be entitled to receive under the bonus issue had the shareholder not elected for the Convertible Notes. The Convertible Notes do not carry voting rights at any general meeting of shareholders of the Company. The noteholders have the same right as the shareholders to receive dividend. The noteholders can exercise the conversion rights at any time after the issue of the Convertible Notes, subject to the terms and conditions of the deed poll constituting the Convertible Notes. The Convertible Notes were recognised as equity and are presented in reserves as "reserve arising from issuance of convertible notes".

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$496,957,000 as at 31 December 2020. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations, including internal resources, available unutilised facility from Sun Hung Kai Properties Limited and its subsidiaries, other than members of the Group ("SHKP Group"), available unutilised banking facility or obtaining additional financing from financial institutions taking into account the current value of the Group's assets which have not been pledged. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 19	Covid-19 – Related Rent Concessions

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

2.2 Impacts and accounting policies on application of Amendments to HKFRS 3 "Definition of a Business"

2.2.1 Accounting policies

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 July 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

2.2.2 Transition and summary of effects

The amendments had no impact on the condensed consolidated financial statements of the Group.

3. SEGMENT INFORMATION

Disaggregation of revenue

For the six months ended 31 December 2020

Segments	**Data centre and IT facilities** *HK$'000*	**ELV and IT systems** *HK$'000*	**Total** *HK$'000*
Types of services recognised over time			
Income from data centre and information technology ("IT") facilities	**855,917**	**-**	**855,917**
Installation and maintenance fee of extra-low voltage ("ELV") and IT systems	**-**	**67,237**	**67,237**
Revenue from contract with customers	**855,917**	**67,237**	**923,154**

For the six months ended 31 December 2019

Segments	Data centre and IT facilities *HK$'000*	ELV and IT systems *HK$'000*	Total *HK$'000*
Types of services recognised over time			
Income from data centre and IT facilities	729,300	-	729,300
Installation and maintenance fee of ELV and IT systems	-	89,320	89,320
Revenue from contract with customers	729,300	89,320	818,620

All revenue is generated from Hong Kong for the six months ended 31 December 2020 and 2019.

Segment revenue and results

Segment profit represents the profit earned by each segment without allocation of central administrative costs, directors' emoluments, interest income, finance costs 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 and value added services.

(b) ELV and IT systems comprise installation and maintenance services for the respective systems.

An operating segment regarding the properties holding was discontinued upon the disposal of subsidiaries during the period ended 31 December 2019. The segment information reported as below does not include any amounts for these discontinued operations.

3. SEGMENT INFORMATION – continued

Segment revenue and results - continued

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 2020

Continuing operations

	Data centre and IT facilities *HK$'000*	**ELV and IT systems** *HK$'000*	**Elimination** *HK$'000*	**Consolidated total** *HK$'000*
REVENUE				
External	**855,917**	**67,237**	**-**	**923,154**
Inter-segment	**-**	**95**	**(95)**	**-**
Total	**855,917**	**67,332**	**(95)**	**923,154**
RESULTS				
Segment results	**478,820**	**20,068**	**-**	**498,888**
Unallocated corporate expenses				**(28,899)**
Interest income				**489**
Finance costs				**(11,082)**
Profit before taxation from continuing operations				**459,396**

For the six months ended 31 December 2019

Continuing operations

	Data centre and IT facilities *HK$'000*	ELV and IT systems *HK$'000*	Elimination *HK$'000*	Consolidated total *HK$'000*
REVENUE				
External	729,300	89,320	-	818,620
Inter-segment	-	176	(176)	-
Total	729,300	89,496	(176)	818,620
RESULTS				
Segment results	398,363	19,088	-	417,451
Unallocated corporate expenses				(21,310)
Interest income				4,724
Finance costs				(20,447)
Investment income				142
Profit before taxation from continuing operations				380,560

3. **SEGMENT INFORMATION** – continued

Segment revenue and results - continued

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.

4. **OTHER INCOME**

	Six months ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Interest income	**489**	4,724
Investment income	**-**	142
Miscellaneous	**3,210**	1,471
	3,699	6,337

5. **INCOME TAX EXPENSE**

	Six months ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
- Hong Kong Profits Tax	**30,018**	48,158
Deferred tax charge	**40,717**	11,590
	70,735	59,748

Hong Kong Profits Tax is calculated at 16.5% (2019: 16.5%) on the estimated assessable profits for the period.

6. PROFIT FOR THE PERIOD

	Six months ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Profit for the period from continuing operations has been arrived at after charging (crediting):		
Staff costs including directors' emoluments	**100,207**	86,972
Retirement benefit scheme contributions	**3,363**	2,672
Total staff costs	**103,570**	89,644
Depreciation of property, plant and equipment (including depreciation of right-of-use assets of HK$1,135,000 (2019: HK$26,160,000))	**192,021**	168,872
Interest on bank borrowings	**29,763**	61,974
Interest on shareholder's loan	**52,709**	66,542
Other finance costs	**9,182**	8,001
Less: amounts capitalised	**(80,626)**	(117,763)
	11,028	18,754
Interest on lease liabilities	**54**	1,693
Total finance costs	**11,082**	20,447

7. DIVIDENDS

During the period, a final dividend of HK17.50 cents per share in respect of the year ended 30 June 2020 (2019: a final dividend of HK16.50 cents per share in respect of the year ended 30 June 2019) was declared and paid to the owners and convertible noteholders of the Company. The aggregate amount of the final dividend declared and paid in the period amounted to HK$709,552,000 (2019: HK$668,013,000).

The board of directors does not recommend the payment of an interim dividend for the six months ended 31 December 2020 (2019: Nil).

8. EARNINGS PER SHARE

(a) Reported earnings per share

The calculation of the basic and diluted earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**388,661**	409,738

8. EARNINGS PER SHARE - continued

(a) Reported earnings per share - continued

	2020 Number of shares	2019 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,052,198,030**	4,047,811,715
Effect of dilutive potential ordinary shares: Share options	**3,852,937**	4,772,880
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**4,056,050,967**	4,052,584,595

For the purposes of basic and diluted 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.

The computation of diluted earnings per share does not assume the exercise of certain Company's share options because the exercise price of those share options was higher than the average market price for shares for the six months ended 31 December 2020 and 2019. Save as the share options mentioned above, there were no other dilutive potential ordinary shares in existence during the six months ended 31 December 2020 and 2019.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, underlying earnings per share is calculated based on the underlying profit attributable to owners of the Company of HK$388,661,000 (2019: HK$335,486,000), excluding the effect of increase in fair value of investment properties (included in profits from discontinued operations for the six months ended 31 December 2019). A reconciliation of profit is as follows:

	Six months ended 31 December	
	2020 ***HK$'000***	2019 *HK$'000*
Profit attributable to owners of the Company as shown in the consolidated statement of profit or loss	**388,661**	409,738
Less: Increase in fair value of investment properties	**-**	(74,252)
Underlying profit attributable to owners of the Company	**388,661**	335,486

The denominators used are the same as those detailed above for both basic and diluted reported earnings per share.

8. EARNINGS PER SHARE - continued

(c) Earnings per share from continuing operations

	Six months ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Profit attributable to owners of the Company as shown in the consolidated statement of profit or loss	**388,661**	409,738
Less: Profit from discontinued operations	**-**	(88,926)
Earnings for the purpose of basic and diluted earnings per share from continuing operations	**388,661**	320,812

The denominators used are the same as those detailed above for both basic and diluted reported earnings per share.

(d) Earnings per share from discontinued operations

Basic and diluted earnings per share for the discontinued operations for the period ended 31 December 2019 were both HK2.19 cents per share, based on the profit for the period from discontinued operations of HK$88,926,000 and the denominators detailed above for both basic and diluted reported earnings per share.

9. TRADE AND OTHER RECEIVABLES

	31 December 2020 *HK$'000*	30 June 2020 *HK$'000*
Trade receivables	**199,161**	152,009
Less: allowance for credit losses	**(1,074)**	(1,074)
	198,087	150,935
Other receivables, prepayments and deposits paid	**105,021**	106,557
	303,108	257,492

The Group allows an average credit period of 30 days to its trade customers. The following is an ageing analysis of trade receivables based on the invoice date net of allowance for credit losses at the end of the reporting period:

	31 December 2020 *HK$'000*	30 June 2020 *HK$'000*
0 - 60 days	**154,765**	129,942
61 - 90 days	**16,700**	5,397
> 90 days	**26,622**	15,596
	198,087	150,935

As at 31 December 2020, out of the past due balances, HK$26,622,000 (30 June 2020: HK$15,596,000) has been past due 90 days or more and is not considered as in default because those debtors are with continuous settlements during and subsequent to the reporting period and no default history noted.

10. TRADE AND OTHER PAYABLES

	31 December 2020 *HK$'000*	30 June 2020 *HK$'000*
Trade payables aged within 60 days	**20,591**	49,709
Trade payables aged over 60 days	**1,081**	2,395
Other payables and accruals	**891,693**	1,050,375
Deposits received	**146,399**	155,553
	1,059,764	1,258,032

11. BANK BORROWINGS

During the period, the Group raised unsecured bank loans of HK$1,360,000,000 (2019: HK$1,070,000,000) from its existing unutilised banking facilities and did not repay any bank loans.

At 31 December 2020, the carrying amount of the Group's unsecured bank loans amounted to approximately HK$7,184,092,000 (30 June 2020: HK$5,816,494,000). All loans carry interest at the Hong Kong Interbank Offered Rate plus specific margins.

The carrying amounts of the unsecured bank loans are repayable:

	31 December 2020 *HK$'000*	30 June 2020 *HK$'000*
Within one year	**-**	-
Within a period of more than one year but less than two years	**1,993,333**	-
Within a period of more than two years but less than five years	**5,190,759**	5,816,494
	7,184,092	5,816,494

12. SHAREHOLDER'S LOAN

On 28 December 2018, the Group and the SHKP Group entered into a loan agreement pursuant to which the SHKP Group had agreed to make available unsecured term loan facility in an aggregate amount of HK$3,800,000,000 to the Group for a term of 72 months at a fixed interest rate of 4% per annum. The fixed interest rate of 4% per annum was then amended to 3% per annum effective from 1 August 2020. At the end of the reporting period, HK$3,300,000,000 (30 June 2020: HK$3,300,000,000) had been drawn down from such facility which was used to fund various existing data centre projects and for working capital requirements.

13. SHARE CAPITAL

	Number of ordinary shares	Amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 July 2020 and **31 December 2020**	**10,000,000,000**	**1,000,000**
Issued and fully paid:		
At 1 July 2020	2,329,193,333	232,919
Exercise of share options (Note (ii))	6,025,000	602
At 31 December 2020	**2,335,218,333**	**233,521**

Notes:

(i) 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 of the Company 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 of the Company 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.

During the six months ended 31 December 2020, no Convertible Notes were exercised and converted into ordinary shares of the Company.

	Number of fully paid ordinary shares to be issued (issued) upon conversion	Amount HK$'000
At 1 July 2020 and **31 December 2020**	**1,720,016,333**	**172,002**

Upon conversion of all the outstanding Convertible Notes, the issued share capital of the Company would be 4,055,234,666 (30 June 2020: 4,049,209,666) 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.

(ii) During the six months ended 31 December 2020, 6,025,000 (2019: 1,965,000) shares were issued upon exercise of share options.

DIVIDEND

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the six months ended 31 December 2020 (2019: Nil).

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim results for the six months ended 31 December 2020 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, by Messrs. Deloitte Touche Tohmatsu, whose report on review of condensed consolidated financial statements will be set out in the 2020/21 interim report.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Audit Committee has reviewed the interim results for the six months ended 31 December 2020 and has provided advice and comments thereon.

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

During the six months ended 31 December 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 31 December 2020, the Group has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except that the Chairman of the Board was unable to attend the annual general meeting of the Company held on 30 October 2020 due to other commitment.

By order of the Board
SUNEVISION HOLDINGS LTD.
Au King-lun, Paulina
Company Secretary

Hong Kong, 24 February 2021

As at the date of this announcement, the Board comprises six Executive Directors, being Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tong Kwok-kong, Raymond, Tung Chi-ho, Eric, Chan Man-yuen, Martin and Lau Yeuk-hung, Fiona; five Non-Executive Directors, being Cheung Wing-yui, Kwok Kai-wang, Christopher, David Norman Prince, Siu Hon-wah, Thomas and Chan Hong-ki, Robert; and six Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose, Wong Kai-man, Lee Wai-kwong, Sunny, Cheng Ka-lai, Lily and Leong Kwok-kuen, Lincoln.