SUNEVISION HOLDINGS LTD.
新意網集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1686)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2023

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

(in HK$ million, unless specified)

For the year ended 30 June	2022	2023	% Change
Revenue	2,086	2,346	+12%
- Revenue from data centre and IT facilities	1,940	2,161	+11%
EBITDA	1,501	1,677	+12%
Profit attributable to owners of the Company	847	905	+7%

RESULTS

During the year under review, the Group's revenue increased 12% year on year to HK$2,346 million, driven largely by increased demand for data centre space from hyperscale customers together with price increases for existing customers. EBITDA rose 12% year on year to HK$1,677 million. Profit attributable to owners of the Company increased 7% year on year to HK$905 million.

DIVIDEND

The Company has seen strong growth over the last few years. All of our data centres in full operation are profitable and generate healthy cash flows. To accommodate the continued strong demand for data centres, the Company has invested in building new facilities such as the MEGA IDC Phase One in Tseung Kwan O. This will be a state-of-the-art data centre with unrivalled infrastructure in Hong Kong, and the entire MEGA IDC Project will more than double our current design power capacity of around 100MW.

Given the higher interest rate environment and the rising cost of debt, it is imperative that the Company exercises cost discipline and seeks to optimise its costs and conserve cash for development. This is especially the case since we have recently seen a take-up in demand which in turn requires more financial resources to fit out our facilities with the necessary infrastructure and electrical equipment. Take for instance, the investment required for the physical building of Mega IDC Phase One for over 500,000 square feet would already be in excess of $1.5 billion in the coming two years. In light of these developments, the Directors recommended the payment of a final dividend of HK 11.20 cents per share for the year ended 30 June 2023, representing a payout ratio of approximately 50%, as compared to that of approximately 100% for the recent past years. We believe this will be beneficial to the Company for the long term and be value accretive as it reduces leverage and interest costs. This will also allow for more resources for the Company to fit out its new facilities to meet the increased demand. Despite the adjustment in payout ratio, our dividend yield will still be among the highest of all data centres globally. The Group will continue to monitor and review the dividend policy and determine the most optimal capital structure going forward by considering various factors such as the interest rate environment, the Group's gearing ratio and capital expenditure needs.

The dividend will be paid on 23 November 2023 following approval at the 2023 Annual General Meeting.

BUSINESS REVIEW

During the year we continued to experience strong demand for our data centres. The demand for "connectivity" capacity, mainly through MEGA-i, has continued to grow. MEGA-i remains a critical Asian hub housing many of the global and regional internet players and telecommunication companies. We continue to see strong demand for Hong Kong as the bridge connecting mainland China with the rest of the world. The Asia Direct Cable ("ADC"), which will land in our subsea cable landing station in Chung Hom Kok later this year, is already starting to bring additional traffic and business to MEGA-i. We are projecting several more of the planned subsea cables to land at our stations which will further enhance MEGA-i and Hong Kong's connectivity.

The demand for "hyperscale" capacity also remained strong, especially from the major cloud players. We have seen an uptake in enquiries, and existing customers have renewed their contracts with us. Some of our customers are complimentary of the fact that despite Covid disruptions and labour shortage, we have always completed their requirements on schedule. This reinforces their confidence in committing to the Company as the supplier of choice for their future data centre needs. We have increased the electricity capacity at our facilities to meet our customers' increasing needs for higher computing power for their new applications. For our new facilities, we have already secured a number of pre-commitments for MEGA IDC, our new TKO data centre, which will open next year. Customer's interest in our new facilities is strong.

There have been rapid developments in Generative AI and its applications over the past year. In the US, there is already an uptake in data centre capacity because the processing power required for AI applications is substantially higher. This trend will benefit future data centre demand and development. Our strength is that our data centres are built to house the most demanding servers. MEGA IDC, in particular, can draw on enormous power supply and is equipped with unrivalled connectivity.

In spite of the positive momentum in terms of customer demand, there are headwinds in the operating environment. There has been a significant increase in data centre supply in the Tsuen Wan and Kwai Chung area. Costs have been increasing, particularly for labour, construction, mechanical and electrical equipment costs as well as power, although most of our electricity expenses are paid by the customers. In addition, the current high interest rates substantially increased our financing costs. We are taking early actions to minimise these cost increases.

We have been very prudent in managing our debt. Our existing data centres that are in full operation are running on a debt-free basis and are cash generative. The Company's current debt is used to finance the construction of new data centres, primarily MEGA IDC, which are critical for the Company's next wave of growth. Given that we are in a high-interest rate environment, we will deploy our cash to invest in our facilities and pay down debt. We will continue to manage our balance sheet to ensure a cost-effective capital structure. Together with the strong support from SHKP Group, our major shareholder, we shall focus on delivering a sustainable return on capital to our shareholders.

At the end of June 2023, the Group's total equity based on the historical cost of the Group's data centres minus depreciation was HK$4.7 billion. If we base the equity on fair market value, as assessed by an independent valuer with reference to open market rents and sales transactions, the Group's total equity would increase to HK$29.8 billion. Based on this market-based valuation, the Group's gearing ratio would be substantially lower at 45% [1] (with shareholder's loan) or 32%[1] (excluding

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[1] *Adjusted gearing ratios are calculated based on fair value of the major completed data centres as of 30 June 2023 and net debt as of 30 June 2023. The adjusted gearing ratios are not defined under HKFRSs and are not presented in accordance with HKFRSs. Further, the adjusted gearing ratios may differ from the gearing ratios used by other companies, including peer companies, potentially limiting the comparability of their financial results to the Company's.*

shareholder's loan). The Group will continue to review the fair value of its existing and future data centre properties annually.

It has now been over a year since the May 2022 court ruling of the Judicial Review case regarding the subletting issue at the Tseung Kwan O Industrial Estate ("TKOIE") against Hong Kong Science and Technology Parks Corporation ("HKSTP"), and nine months since the final conclusion to the legal proceedings. We noted that HKSTP has publicly stated in July that they are taking actions to ensure compliance from tenants. We welcome such news. We urge the HKSTP to find a credible third party (potentially from government agencies such as the Audit Commission and the Office of Ombudsman, or the "Big Four" international accounting firms) to conduct the investigation. Even more importantly, HKSTP should immediately require the directors of all tenants to sign a declaration that confirms no breaches. This will close the loophole for all future rent-seeking opportunities. This is easy to implement and a quick fix to ensure no one is benefitting from the breach of lease terms. We believe these subletting issues must be fixed to ensure land is properly used for innovation.

PROSPECTS

We are confident that we will continue to see healthy growth in demand for data centre space in coming years. The Company has already acquired sufficient land to cater for the growth in demand for data centres for the next four years. The future phases of Mega IDC will comprise of an additional 700,000 square feet Gross Floor Area. Despite challenges in the operating environment with high interest rates and pressure on costs, the Company will stay close to our customers and ensure we provide superior infrastructure and service to them. We will monitor our costs closely and manage our cash and gearing prudently. We will continue to invest in state-of-the-art facilities, such as MEGA IDC, where there is strong demand, and we will invest in phases to deploy capital effectively. Our core capabilities are strong in terms of our "connectivity" business, our "hyperscale" business and cable landing facilities. The Company will retain focus on investments that will drive long term shareholder value.

The Group maintains a priority to deliver on its Environmental, Social and Governance ("ESG") commitments. The Group will continue to invest in and utilise the best-in-class energy-efficient equipment and infrastructure for its data centres. We adhere to environmentally friendly best practices in managing our data centres, with MEGA-i, MEGA Plus and MEGA Two achieving the highest Excellent grade in the Management aspect of BEAM Plus Certification.

APPRECIATION

I would like to thank Mr. Raymond Tong who steps down as CEO to pursue other interests. I would like to thank all the Directors, management, and every member of our committed staff for their dedication and hard work to ensure we maintain the high levels of service demanded by our customers. I would also like to thank our shareholders for their continued confidence and support.

Kwok Ping-luen, Raymond
Chairman

Hong Kong, 31 August 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

iAdvantage

SUNeVision operates its data centre business under iAdvantage. As at 30 June 2023, the Group operates seven data centres in Hong Kong (with six owned by the Group) and has one self-owned site under construction. To enhance international connectivity and resilience, the Group owns and operates a cable landing station ("HKIS-1") with another site ("HKIS-2") under construction. iAdvantage is the largest, most connected, carrier-neutral, cloud-neutral and cable-neutral data centre operator in Hong Kong, with best-in-class facilities built around the MEGA Campus (consisting of MEGA-i, MEGA Plus, MEGA Two, MEGA Fanling and MEGA Gateway) and is regarded 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 year under review, the Group continued to experience strong demand for its data centres. Demand for "connectivity" capacity, mainly through MEGA-i, continued to be robust. Several subsea cables are being planned to be connected to Hong Kong, and will likely bring further demand for capacity in the Group's data centres. Demand for "hyperscale" capacity also remained strong, with multiple cloud player clients expanding their capacity at the Group's facilities. The Group has increased the electricity capacity at facilities to meet the increase needs for higher computing power for new applications.

The well-established MEGA-i is a major connectivity hub in Asia, currently carrying around 15,000 cross-connects and interconnecting hundreds of the global and regional telcos, ISPs, enterprises, cloud and new economy players within its ecosystem. The ongoing upgrade of power capacity at MEGA-i has further strengthened the Group's ability to meet the increasing intense power needs of customers and so enhances its leading position in connectivity. MEGA Plus, the Group's high-tier flagship data centre located in Tseung Kwan O, continues to see strong demand from global cloud service providers and new economy players. MEGA Two, strategically located in Shatin, serves as a critical pathway for data in and out of mainland China. The revitalisation work on multiple floors of MEGA Two has allowed the Group to capture the rising high power-density demand from hyperscale and cloud customers in this strategic location. MEGA Fanling, the single-user data centre project utilising an asset-light model became operational in June 2022 and is ramping up ahead of schedule. In addition, since most of the data centres are owned by the Group, it provides long-term service stability which is strongly preferred by all its major customers, especially cloud players.

The Group has robust pipeline and is now entering into a new chapter of growth with the opening of MEGA Gateway in 2023 and upcoming launch of phase 1 of MEGA IDC.

MEGA Gateway, which is designed to be the next connectivity hub complementing MEGA-i, had its grand opening in the first quarter of 2023. Customers have begun ramping up according to plan. This has added approximately 200,000 square feet GFA and 20MW capacity to the Group's data centre portfolio. With the upcoming lighting up of the Asia Direct Cable and several other subsea cables being planned for Hong Kong to be landed at HKIS-1, the Group is confident that the remaining space will be committed by colocation customers.

MEGA IDC is the Group's flagship greenfield project TKOTL 131 in Tseung Kwan O with approximately 1.2 million square feet GFA and designed to support an ultra-high IT power capacity of up to 180MW. This is a truly state-of-the-art facility that has extraordinarily abundant electricity provision and superior infrastructure designed and capable of housing the most demanding servers.

It is located right next to MEGA Plus, thus enabling strong operating synergies between the two data centres. It is being built on land approved for data centre use and is free from any subletting restrictions applicable to data centres in the nearby industrial estate. Phase 1 of MEGA IDC has approximately 500,000 square feet GFA and is targeted to be completed in the fourth quarter of 2023 and will be ready for service in January 2024. This facility will be the largest data centre in Hong Kong measured by power capacity and will provide customers with the advantage of being able to support their expansion needs for both space and power. The Group has already secured a number of pre-commitments for MEGA IDC. The Group is adopting state-of-the-art technologies and designs in the construction of MEGA IDC.

With the grand opening of MEGA Gateway and the completion of MEGA IDC, the total gross floor area of the Group's data centres in Hong Kong will grow from 1.7 million square feet as at 30 June 2023 to almost 3 million square feet, and its power capacity will increase from 100MW to over 280MW when the facilities are fully operational.

The Group has announced the landing of the Hong Kong Segment of China Telecom Global's Asia Direct Cable ("ADC") at HKIS-1 cable landing station which will be operational in the fourth quarter. The addition of cable landing stations reinforces the Group's strategy of providing a one-stop data centre service solution, being a carrier, cloud and now cable-neutral service provider. In March 2022, the Group won the tender for a site in Chung Hom Kok ("RBL1219") to develop its second cable landing station HKIS-2 for international submarine cables. The two neighbouring sites will offer path diversity and expansion capacity for the subsea cables being planned for Hong Kong.

Inflationary pressures remained elevated, with various operating costs, including labour, construction, mechanical and electrical equipment costs, continuing to climb higher. Persistent high interest rates have also increased the Group's financing costs. The Group has been taking early actions to minimise the cost increases.

As the largest data centre service provider in Hong Kong with Asia's number one connectivity, the Group is pleased to have received W. Media Asia Pacific Cloud & Data Centre Awards 2022 for HKIS-1, in the category of Outstanding Data Centre Project – Connectivity and Innovation. HKIS-1 has been recognised as a Gold winner in the 10th annual Asia-Pacific Stevie Awards® for Innovation in Technology Development – Computer Industries. It has also achieved a Rated-4 Certification of "ANSI/TIA-942 DCCC" for HKIS-1. The Group is honoured to have won Data Centre Partner of the Year 2022 award from HKBN Enterprise Solutions. The Group has received a double win at the 17th China IDC Industry Annual Ceremony, getting the "Best IDC Provider" for 4 consecutive years and the first triumph of "Trusted Partner of Chinese Companies Going Overseas". These industry awards are a recognition of the Group's leading position both in Hong Kong's data centre industry and as a provider of connectivity ecosystem in the region. The Group has received the highest Excellent grade in the Management category of "BEAM Plus Existing Buildings Version 2.0 Selective Scheme" for MEGA-i, MEGA Plus and MEGA Two. The recognition reaffirms that the Group's energy-efficient data centre management practice is reinforcing its environmental goals and supporting its customers' sustainability journeys.

With a commitment to creating a sustainable future and improving the Group's environmental, social and governance performance, the Group actively finds new ways to finance and operate in a more sustainable manner. The Group has secured its first sustainability-linked loan of HK$3 billion from HSBC, the first of its kind in the Hong Kong data centre sector, to help underpin the long-term sustainability performance of the Company. The Group completed the first purchase of International Renewable Energy Certificates to offset all the carbon emission of general building electricity usage. To reduce its carbon footprint, the Group has installed solar panels in MEGA Plus, and was also involved in the CLP Retro-Commissioning Charter programme to improve the energy efficiency of its buildings. The Group has also been awarded the InnoESG Prize in the category of "Sustainable

Technology Award 2022" from SocietyNext and "Recognised Organisation - UNSDG Achievement Awards Hong Kong 2023" from Green Council for its proven track record in ESG. These awards serve as a recognition and demonstration of its ongoing commitment to environmental sustainability. The Group will continue to provide world-class data centre infrastructure and services to its customers in a sustainable environment.

Super e-Technology and Super e-Network

Super e-Technology secured contracts for the installation of Extra Low Voltage ("ELV") and IT systems totaling HK$206 million during the year under review. Super e-Technology is seeking new opportunities to enhance its service offerings and maintains a positive outlook for the ELV sector.

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 year under review, the Group's revenue increased 12% year on year to HK$2,346 million. Revenue from data centre and IT facilities business rose 11% year on year to HK$2,161 million, driven largely by the demand from both existing and new customers for the Group's existing data centres, and the full year contribution of new contracts signed in the financial year 2022/23. Revenue from ELV and IT systems business increased 27% year on year to HK$185 million as a result of an increased installation fee income. The Group's cost of sales increased 16% year on year to HK$1,025 million, primarily due to higher depreciation charges and operating costs attributable to the expansion of the Group's data centre facilities. Operating expenditure decreased 5% year on year to HK$154 million predominantly due to labour cost efficiencies. The Group's operating expenditure to sales ratio improved from 8% in the previous year to 7%.

Operating profit of the Group rose 14% year on year to HK$1,192 million. Operating profit from data centre and IT facilities (before corporate expenses, interest and tax) rose 12% year on year to HK$1,198 million and operating profit from ELV and IT systems (before corporate expenses, interest and tax) increased 1% year on year to HK$36 million due to increasing level of installation services.

EBITDA of the Group increased 12% year on year to HK$1,677 million (excluding one-off gain on liquidation of a subsidiary amounted to HK$15 million for the year ended 30 June 2023), driven mainly by EBITDA growth from the data centre business. The EBITDA margin remained strong at 71%.

Profit attributable to owners of the Company increased 7% year on year to HK$905 million. Finance costs increased 266% year on year to HK$109 million mainly due to the increase in borrowing rate and increased level of borrowings.

Capital Investment

The new data centre developments of MEGA Gateway, MEGA IDC and MEGA Fanling and investment in cable landing stations HKIS-1 and HKIS-2 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 commitment. 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$237 million bank balances and deposits as of 30 June 2023, while bank borrowings were HK$9,736 million. Total net bank borrowings increased 6% to HK$9,498 million compared to HK$8,968 million as at 31 December 2022. The shareholder's loan was HK$3,800 million as at 30 June 2023, being an unsecured 6-year term loan from Sun Hung Kai Properties Limited and its subsidiaries (the "SHKP Group") at a fixed interest rate of 3% per annum, maturing in 2025. SHKP Group will continue to support the Group's development in the long term.

The gearing ratio, being net debt divided by equity attributable to owners of the Company, as of 30 June 2023 was 286%; excluding the long-term unsecured shareholder's loan of HK$3,800 million from SHKP Group, such ratio was 204%.

The Group's self-occupied data centres are recorded at historical cost less depreciation on its financial statements. For illustrative purpose, after taking into account the fair value of the major completed data centres valued by an independent property valuer with reference to open market rents and sales transactions, the Group's equity would be noticeably increased and on this basis, the adjusted gearing ratio including and excluding shareholder's loan would be substantially reduced to 45% and 32% respectively. The Group will continue to review annually the fair value of its existing properties, as well as the properties in the pipeline as when completed, and plan to provide the supplementary adjusted net gearing ratios to facilitate a more meaningful insight to the Group's financial position.

The Group has invested in building new facilities for future growth. Given the high interest rate and the rising cost of debt, the Board has adjusted the dividend payout to conserve financial resources for fitting out the Group's facilities to meet the take-up in demand. It will continue to monitor and review the dividend policy and determine the most optimal capital structure going forward by considering various factors such as the interest rate environment, the Group's gearing ratio and capital expenditure needs.

As of 30 June 2023, the Group had no contingent liability while the Company had an aggregate of HK$9,859 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 30 June 2023.

EMPLOYEES

The Group employed 461 full-time employees as of 30 June 2023. During the year under review, SUNeVision continued to promote and protect the health and safety of its employees. The Group implemented various measures to safeguard the wellbeing of employees while maintaining the highest service standards to customers at the same time.

To remain competitive in the employment market and to prepare for the challenges of the growing demand for high-end data centre facilities in Hong Kong, SUNeVision continues to focus on the development and retention of its people. Training workshops are organised regularly whereby employees can develop skills to enhance their career. In addition, the Group offers a competitive remuneration package to employees. Fringe benefits, including Mandatory Provident Fund contributions and medical insurance, are reviewed regularly. Share options are granted to selected Directors and employees based on performance and as part of the package to retain talents.

Audited Consolidated Statement of Profit or Loss

For the year ended 30 June 2023

	Notes	**2023** ***HK$'000***	2022 *HK$'000*
Revenue	3	**2,345,903**	2,085,845
Cost of sales		**(1,025,103)**	(884,415)
Gross profit		**1,320,800**	1,201,430
Other income	5	**10,241**	2,754
Gain on liquidation of a subsidiary		**15,525**	-
Selling expenses		**(33,621)**	(32,306)
Administrative expenses		**(120,479)**	(129,298)
Profit from operations		**1,192,466**	1,042,580
Finance costs		**(108,772)**	(29,715)
Profit before taxation		**1,083,694**	1,012,865
Income tax expense	6	**(178,329)**	(166,034)
Profit for the year attributable to owners of the Company	7	**905,365**	846,831
Earnings per share based on profit attributable to owners of the Company (reported earnings per share)	9		
- Basic (Remark (i))		**22.30 cents**	20.87 cents
- Diluted (Remark (i))		**22.30 cents**	20.84 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, SUNeVision Holdings Ltd. (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 and share options exercised.

(ii) Details of earnings per share calculation and the Company's share capital are set out in notes 9 and 14 respectively.

Audited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	2023	2022
	HK$'000	*HK$'000*
Profit for the year	**905,365**	846,831
Other comprehensive income (expense) for the year		
Item that will not be reclassified subsequently to the consolidated statement of profit or loss:		
Surplus on revaluation of property, plant and equipment upon transfer to investment property	**-**	48,639
Items that may be reclassified subsequently to the consolidated statement of profit or loss:		
Exchange differences arising from translation of operations outside Hong Kong	**499**	22
Release upon liquidation of a subsidiary	**(3,103)**	-
	(2,604)	48,661
Total comprehensive income for the year	**902,761**	895,492
Total comprehensive income (expense) attributable to:		
Owners of the Company	**903,077**	895,835
Non-controlling interests	**(316)**	(343)
	902,761	895,492

Audited Consolidated Statement of Financial Position

At 30 June 2023

	Notes	**2023** **HK$'000**	2022 HK$'000
Non-current assets			
Investment property		**58,000**	58,000
Property, plant and equipment		**19,845,823**	17,275,625
Equity instrument at fair value through other comprehensive income ("FVTOCI")		**3,710**	3,710
		19,907,533	17,337,335
Current assets			
Inventories		**9,569**	5,654
Trade and other receivables	10	**593,686**	450,904
Contract assets		**29,545**	39,220
Cash and cash equivalents		**237,279**	309,669
		870,079	805,447
Current liabilities			
Trade and other payables	11	**1,734,761**	1,075,034
Contract liabilities		**113,857**	82,028
Lease liabilities		**16,518**	10,137
Tax payables		**183,864**	189,017
Bank borrowings	12	**-**	2,296,304
		2,049,000	3,652,520
Net current liabilities		**(1,178,921)**	(2,847,073)
Total assets less current liabilities		**18,728,612**	14,490,262
Non-current liabilities			
Contract liabilities		**4,521**	9,079
Lease liabilities		**202,140**	1,153
Deferred tax liability		**330,630**	297,661
Bank borrowings	12	**9,735,500**	5,790,833
Shareholder's loan	13	**3,800,000**	3,800,000
		14,072,791	9,898,726
Net assets		**4,655,821**	4,591,536
Capital and reserves			
Share capital	14	**233,906**	233,906
Reserve arising from issuance of convertible notes	14	**172,002**	172,002
Other reserves		**4,247,885**	4,170,862
Equity attributable to owners of the Company		**4,653,793**	4,576,770
Non-controlling interests		**2,028**	14,766
Total equity		**4,655,821**	4,591,536

Audited Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	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$'000*	**Property revaluation reserve** *HK$'000*	**Retained profits** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
At 1 July 2021	233,767	2,368,218	172,002	34,532	1,923	-	1,624,781	4,435,223	15,109	4,450,332
Profit for the year	-	-	-	-	-	-	846,831	846,831	-	846,831
Surplus on revaluation of property, plant and equipment upon transfer to investment property	-	-	-	-	-	48,639	-	48,639	-	48,639
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	365	-	-	365	(343)	22
Total comprehensive income (expense) for the year	-	-	-	-	365	48,639	846,831	895,835	(343)	895,492
Exercise of share options (note 14)	139	9,322	-	(1,954)	-	-	-	7,507	-	7,507
Recognition of equity-settled share-based payments	-	-	-	25,518	-	-	-	25,518	-	25,518
Final dividend and distribution paid (note 8)	-	-	-	-	-	-	(787,313)	(787,313)	-	(787,313)
At 30 June 2022	233,906	2,377,540	172,002	58,096	2,288	48,639	1,684,299	4,576,770	14,766	4,591,536
Profit for the year	-	-	-	-	-	-	905,365	905,365	-	905,365
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	815	-	-	815	(316)	499
Release upon liquidation of a subsidiary	-	-	-	-	(3,103)	-	-	(3,103)	-	(3,103)
Total comprehensive income (expense) for the year	-	-	-	-	(2,288)	-	905,365	903,077	(316)	902,761
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	(12,422)	(12,422)
Recognition of equity-settled share-based payments	-	-	-	18,233	-	-	-	18,233	-	18,233
Lapse of share options	-	-	-	(7,629)	-	-	7,629	-	-	-
Final dividend and distribution paid (note 8)	-	-	-	-	-	-	(844,287)	(844,287)	-	(844,287)
At 30 June 2023	**233,906**	**2,377,540**	**172,002**	**68,700**	**-**	**48,639**	**1,753,006**	**4,653,793**	**2,028**	**4,655,821**

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. This reserve balance represented the aggregate amount of the Convertible Notes outstanding at the year end. No Convertible Notes were exercised and converted into ordinary shares by noteholders during the years ended 30 June 2022 and 2023. As a result, the Convertible Notes in the amount of HK$172,001,633.30 remained outstanding as at 30 June 2022 and 2023.

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".

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis and certain financial instruments, that are measured at fair values at the end of each reporting period.

In preparing the 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$1,178,921,000 as at 30 June 2023. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations, including but not limited to internal resources and available unutilised facilities from financial institutions. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 July 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1	Non-current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[3]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction[1]
Amendments to HKAS 12	International Tax Reform - Pillar Two Model Rules[4]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after a date to be determined
3 Effective for annual periods beginning on or after 1 January 2024
4 Effective for annual periods beginning on or after 1 January 2023 (except for HKAS 12 paragraphs 4A and 88A which are immediately effective upon issue of the amendments)

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Impacts on application of Amendments to HKAS 12 "Income Taxes International Tax Reform- Pillar Two Model Rules"

In July 2023, the HKICPA issued the amendments to HKAS 12 to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities shall apply the amendments immediately upon issuance. The amendments also require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current year because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements in which the Pillar Two legislation has been enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 30 June 2023, and the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Amendments to HKAS 1 and HKFRS Practice Statement 2 "Disclosure of Accounting Policies"

HKAS 1 "Presentation of Financial Statements" is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Notes to the Consolidated Financial Statements

3. REVENUE

Disaggregation of revenue

For the year ended 30 June 2023

	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 colocation services and interconnection services (including income of HK$22,118,000 from other managed services)	**2,161,081**	**-**	**2,161,081**
Installation and maintenance fee of ELV and IT systems (including installation fee of HK$121,571,000)	**-**	**184,822**	**184,822**
Revenue from contracts with customers	**2,161,081**	**184,822**	**2,345,903**

For the year ended 30 June 2022

	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 colocation services and interconnection services (including income of HK$20,673,000 from other managed services)	1,940,422	-	1,940,422
Installation and maintenance fee of ELV and IT systems (including installation fee of HK$86,194,000)	-	145,423	145,423
Revenue from contracts with customers	1,940,422	145,423	2,085,845

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2023 and the expecting timing of recognising revenue are as follows:

(i) The aggregate amount of installation services is HK$344,904,000 (2022: HK$256,459,000), of which HK$113,106,000 (2022: HK$97,351,000) is expected to be recognised as revenue within one year. HK$231,798,000 (2022: HK$159,108,000) are expected to be recognised as revenue in the second to fifth year inclusive.

(ii) The aggregate amount of use of data centre and IT facilities colocation services is HK$4,177,444,000 (2022: HK$3,756,195,000), of which HK$1,216,326,000 (2022: HK$1,046,751,000) is expected to be recognised as revenue within one year. HK$2,135,023,000 (2022: HK$2,117,594,000) and HK$826,095,000 (2022: HK$591,850,000) are expected to be recognised as revenue in the second to fifth year inclusive and over five years, respectively.

For the contracts from interconnection services, other managed services and maintenance services that have an original expected duration of one year or less or the Group has a right to consideration from the customers in an amount that corresponds directly with the value to the customers of the Group's performance completed to date, as permitted under HKFRS 15 "Revenue from contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

4. SEGMENT INFORMATION

Segment profit represents the profit earned by each segment without allocation of central administrative costs, directors' emoluments, interest income, investment income, gain on liquidation of a subsidiary, rental income and finance costs. 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 1) data centre and IT facilities colocation services to allow customers to house their IT infrastructure or equipment, 2) interconnection services to provide customers with high-speed and reliable interconnectivity, and 3) other managed services.

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

4. 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 year ended 30 June 2023

	Data centre and IT facilities *HK$'000*	ELV and IT systems *HK$'000*	Elimination *HK$'000*	Consolidated total *HK$'000*
REVENUE				
External	**2,161,081**	**184,822**	**-**	**2,345,903**
Inter-segment	**-**	**190**	**(190)**	**-**
Total	**2,161,081**	**185,012**	**(190)**	**2,345,903**
RESULTS				
Segment results	**1,198,207**	**36,154**	**-**	**1,234,361**
Unallocated corporate expenses				**(64,801)**
Interest income				**5,677**
Investment income				**142**
Gain on liquidation of a subsidiary				**15,525**
Rental income				**1,562**
Finance costs				**(108,772)**
Profit before taxation				**1,083,694**

For the year ended 30 June 2022

	Data centre and IT facilities *HK$'000*	ELV and IT systems *HK$'000*	Elimination *HK$'000*	Consolidated total *HK$'000*
REVENUE				
External	1,940,422	145,423	-	2,085,845
Inter-segment	-	190	(190)	-
Total	1,940,422	145,613	(190)	2,085,845
RESULTS				
Segment results	1,074,352	35,914	-	1,110,266
Unallocated corporate expenses				(69,174)
Interest income				604
Investment income				142
Rental income				742
Finance costs				(29,715)
Profit before taxation				1,012,865

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. SEGMENT INFORMATION (continued)

Other segment information

For the year ended 30 June 2023

	Data centre and IT facilities	ELV and IT systems	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*
Amount included in the measure of segment results:			
Depreciation of property, plant and equipment	**503,764**	**1,786**	**505,550**
Addition to property, plant and equipment	**3,078,698**	**223**	**3,078,921**
Loss on disposal of property, plant and equipment	**32**	**-**	**32**
	========	=======	=======

For the year ended 30 June 2022

	Data centre and IT facilities	ELV and IT systems	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*
Amount included in the measure of segment results:			
Depreciation of property, plant and equipment	457,139	1,728	458,867
Addition to property, plant and equipment	2,233,979	1,393	2,235,372
Loss on disposal of property, plant and equipment	356	-	356
Provision for allowance for credit losses, net of reversal	1,011	-	1,011
	========	=======	=======

Geographical information

The Group's revenue is derived from Hong Kong and the Group's non-current assets are substantially located in Hong Kong. Accordingly, no analysis by geographical location is presented.

Information about major customers

For the year ended 30 June 2023, the largest two customers (2022: the largest two customers), which come from the segment of Data centre and IT facilities, accounted for about 16% and 15% (2022: 17% and 12%) of the total revenue, respectively.

5. OTHER INCOME

	2023	2022
	HK$'000	*HK$'000*
Interest income	**5,677**	604
Investment income	**142**	142
Rental income	**1,562**	742
Miscellaneous	**2,860**	1,266
	----------	----------
	10,241	2,754
	======	======

6. INCOME TAX EXPENSE

	2023 HK$'000	2022 HK$'000
Current tax		
- Hong Kong Profits Tax	**142,408**	161,330
- Under(over)provision in prior years	**2,952**	(80)
	145,360	161,250
Deferred tax charge	**32,969**	4,784
	178,329	166,034

Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) on the estimated assessable profits for the year.

7. PROFIT FOR THE YEAR

	2023 HK$'000	2022 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Staff costs	**253,167**	220,479
Retirement benefit scheme contributions	**7,992**	6,787
Share-based payments	**18,233**	25,518
Total staff costs including directors' emoluments	**279,392**	252,784
Auditor's remuneration	**1,532**	1,375
Depreciation of property, plant and equipment	**508,691**	458,867
Less: amounts capitalised	**(3,141)**	-
	505,550	458,867
Loss on write-off / disposal of property, plant and equipment	**32**	356
Provision for allowance for credit losses on trade and other receivables, net of reversal	**-**	1,011
Interest on bank borrowings	**303,765**	65,579
Interest on shareholder's loan	**114,000**	108,370
Interest on lease liabilities	**811**	386
Other finance costs	**29,392**	22,252
Less: amounts capitalised	**(339,196)**	(166,872)
Total finance costs	**108,772**	29,715

For the year ended 30 June 2023, Covid-19 related government grants amounted to HK$2,908,000 (2022: HK$5,816,000) have been offset against staff costs.

Notes to the Consolidated Financial Statements

8. DIVIDENDS

	2023 *HK$'000*	2022 *HK$'000*
Dividend paid and recognised as distribution during the year		
- Final dividend to ordinary shareholders in respect of the immediately preceding financial year of HK20.80 cents (2022: HK19.40 cents) per share	**486,524**	453,630
- Payments to convertible noteholders in respect of the immediately preceding financial year of HK20.80 cents (2022: HK19.40 cents) for each share which such registered noteholders would have become holders of, had such registered noteholders' Convertible Notes then outstanding been converted on 3 November 2022 (2022: 4 November 2021)	**357,763**	333,683
	844,287	787,313
Dividend proposed		
- Final dividend to ordinary shareholders in respect of the current financial year of HK11.20 cents (2022: HK20.80 cents) per share	**261,974**	486,524
- Payments to convertible noteholders in respect of the current financial year of HK11.20 cents (2022: HK20.80 cents) for each share which such registered noteholders would have become holders of, had such registered noteholders' Convertible Notes then outstanding been converted on 2 November 2023 (2022: 3 November 2022)	**192,642**	357,763
	454,616	844,287

At a meeting held on 31 August 2023, the directors recommend the declaration of a final dividend of HK 11.20 cents per share for the year ended 30 June 2023. This proposed dividend is not included as a dividend payable in the consolidated statement of financial position as at 30 June 2023.

9. EARNINGS PER SHARE

Reported earnings per share

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

	2023	2022
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**905,365**	846,831

	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,059,073,666**	4,058,248,028
Effect of dilutive potential ordinary shares:		
Share options	**-**	4,590,154
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**4,059,073,666**	4,062,838,182

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 14.

The computation of diluted earnings per share does not assume the exercise of all (2022: certain) Company's share options because the exercise price of those share options was higher than the average market price for shares for the year ended 30 June 2023. Save as the share options mentioned above, there were no other dilutive potential ordinary shares in existence during the years ended 30 June 2023 and 2022.

10. TRADE AND OTHER RECEIVABLES

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 dates, net of allowance for credit losses at the end of the reporting period:

	2023	2022
	HK$'000	*HK$'000*
0 - 60 days	**265,705**	242,966
61 - 90 days	**7,696**	3,815
> 90 days	**18,476**	20,067
	291,877	266,848
Unbilled revenue for use of data centre and IT facilities	**111,578**	56,696
Other receivables	**69,346**	57,092
Prepayments	**98,657**	54,859
Deposits paid	**22,228**	15,409
	593,686	450,904

11. TRADE AND OTHER PAYABLES

The following sets out an ageing analysis of trade payables based on invoice dates at the end of the reporting period:

	2023	2022
	HK$'000	*HK$'000*
Trade payables aged within 60 days	**31,837**	23,071
Trade payables aged over 60 days	**2,503**	925
Other payables and accruals	**1,542,505**	892,583
Deposits received	**157,916**	158,455
	1,734,761	1,075,034

12. BANK BORROWINGS

At the end of the reporting period, the Group's unsecured bank loans were denominated in Hong Kong dollar with the carrying amount of HK$9,735,500,000 (2022: HK$8,087,137,000). The loans carry interest at the Hong Kong Interbank Offered Rate plus a margin. The loans were used to fund various existing data centre projects.

During the year, the Group obtained a new long term banking facility of HK$3,000,000,000 (2022: HK$3,000,000,000) and raised unsecured bank loans of HK$3,960,000,000 (2022: HK$850,000,000) from its unutilised banking facilities and repaid the bank loan with a principal amount of HK$2,300,000,000 (2022: nil). As at 30 June 2023, the Group has available unutilised banking facilities of HK$1,190,000,000 (2022: HK$2,150,000,000).

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.36% (2022: 0.96%) per annum and specific borrowings to expenditure on qualifying assets.

The carrying amounts of the above borrowings are repayable*

	2023	2022
	HK$'000	*HK$'000*
Within one year	**-**	2,296,304
Within a period of more than one year but less than two years	**2,988,750**	-
Within a period of more than two years but less than five years	**6,746,750**	5,790,833
Total	**9,735,500**	8,087,137

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The above bank borrowings carry interest at effective rate per annum of 3.34% (2022: 0.85%).

13. SHAREHOLDER'S LOAN

On 28 December 2018, the Group and SHKP Group entered into a loan agreement pursuant to which 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$3,800,000,000 (2022: HK$3,800,000,000) was drawn down from the facility which was used to fund various existing data centre projects and for working capital requirements.

14. SHARE CAPITAL

	Number of ordinary shares	Amount *HK$'000*
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 July 2021, 30 June 2022 and **30 June 2023**	**10,000,000,000**	**1,000,000**
Issued and fully paid:		
At 1 July 2021	2,337,669,333	233,767
Exercise of share options (Note (ii))	1,388,000	139
At 30 June 2022 and **30 June 2023**	**2,339,057,333**	**233,906**

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the years ended 30 June 2023 and 2022.

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 years ended 30 June 2023 and 2022, 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 2021, 30 June 2022 and **30 June 2023**	**1,720,016,333**	**172,002**

Upon conversion of all the outstanding Convertible Notes, the issued share capital of the Company would be 4,059,073,666 (2022: 4,059,073,666) 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 year ended 30 June 2022, 1,388,000 shares were issued upon the exercise of share options.

DIVIDEND

The board of Directors (the "Board") recommended the payment of a final dividend of HK11.20 cents per share (2022: HK20.80 cents per share) to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company (the "Register of Members") on Thursday, 2 November 2023, making a total dividend of HK11.20 cents per share for the full year ended 30 June 2023 (2022: HK20.80 cents per share). The proposed final dividend will be paid on Thursday, 23 November 2023 following the approval at the forthcoming annual general meeting of the Company (the "2023 AGM"). Shares of the Company (the "Shares") will be traded ex-dividend as from Tuesday, 31 October 2023.

In addition, subject to the resolution for declaring the aforesaid final dividend being duly passed at the 2023 AGM, pursuant to the deed poll constituting the convertible notes dated 25 November 2010 (the "Convertible Notes"), the Company will, on Thursday, 23 November 2023, pay to the noteholders of the Company (the "Noteholders") whose names appear on the register of Noteholders (the "Register of Noteholders") on Thursday, 2 November 2023, HK11.20 cents for each share which such Noteholders would have become holders of, had such Noteholders' Convertible Notes then outstanding been converted on Thursday, 2 November 2023.

ANNUAL GENERAL MEETING

The 2023 AGM will be held on Friday, 27 October 2023 and the notice of the 2023 AGM will be published and dispatched to the Shareholders and, for information only, the Noteholders accordingly.

CLOSURE OF REGISTER OF MEMBERS

In order to determine Shareholders' entitlements to attend and vote at the 2023 AGM, the Register of Members will be closed from Tuesday, 24 October 2023 to Friday, 27 October 2023, both dates inclusive, during which no transfer of Shares will be effected.

(i) In the case of the Shares, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20 October 2023; and

(ii) In the case of the Convertible Notes, in order to be entitled to attend and vote at the 2023 AGM, the notice of conversion accompanied by the relevant note certificate and payment of the necessary amount should have been surrendered to and deposited with the Company's registrar in respect of the Convertible Notes, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for conversion into Shares not later than 4:30 p.m. on Thursday, 7 September 2023.

In addition, the Register of Members will be closed on Thursday, 2 November 2023. On the assumption that the resolution for declaring the final dividend is duly passed at the 2023 AGM:

(i) in the case of the Shares, in order to determine entitlement to the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 1 November 2023; and

(ii) in the case of Convertible Notes, in order to determine entitlement to receive the relevant payments under the Convertible Notes, the Noteholders shall remain to be registered on the Register of Noteholders on Thursday, 2 November 2023.

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

During the year ended 30 June 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the final results for the year ended 30 June 2023 and has provided advice and comments thereon. The Group's consolidated financial statements have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, and it has issued an unmodified opinion.

CORPORATE GOVERNANCE CODE

During the year ended 30 June 2023, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board
SUNEVISION HOLDINGS LTD.
Bonnie Lau
Company Secretary

Hong Kong, 31 August 2023

As at the date of this announcement, the Board comprises five Executive Directors, being Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tong Kwok-kong, Raymond, Tung Chi-ho, Eric and Chan Man-yuen, Martin; six Non-Executive Directors, being Cheung Wing-yui, Kwok Kai-wang, Christopher, David Norman Prince, Siu Hon-wah, Thomas, Chan Hong-ki, Robert and Lau Yeuk-hung, Fiona; 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.