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 2024

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

(in HK$ million, unless specified)

For the 6 months ended 31 December	2023	2024	% Change
Revenue	1,290	1,470	+14%
- Revenue from data centre and IT facilities	1,185	1,361	+15%
EBITDA	899	1,053	+17%
Profit attributable to owners of the Company	435	484	+11%
Net cash generated from operating activities excluding movement in working capital	715	982	+37%

RESULTS

During the period under review, the Group's revenue increased by 14% year-on-year reaching HK$1,470 million. The increase was driven by revenue contributions from new data centres, particularly the commissioning of MEGA IDC Phase One, as well as steady growth from existing sites. EBITDA rose by 17% year on year to HK$1,053 million, with margins improving from 70% to 72%. Interest costs increased materially due to lower interest capitalisation following the launch of IDC Phase One, which partially offset the growth in business. Profit attributable to shareholders increased by 11% year on year to HK$484 million due to higher revenues and improving rental. The Group has maintained a strong operating cash inflow, with net cash generated from operating activities (excluding movement in working capital) increasing by 37% to HK$982 million, compared to the same period last year.

BUSINESS REVIEW

Over the past six months, market demand for premium data centre infrastructure and services in Hong Kong has remained robust despite the slower recovery of the broader economy. Hong Kong is not a location for "model" training because of its cost, and does not house the most advanced chips. However, the growing demand for AI-driven applications has benefitted those Hong Kong data centres, which provide ultra-low latency, high-bandwidth connectivity, and mission-critical infrastructure while being strategically located closer to end users. Hence we are the data centre of choice in Hong Kong for many cloud/AI customers. In addition, financial institutions and enterprises are also raising their standards for data centre services, with a growing focus on operation continuity and resilience. These developments have benefitted our data centres, and allow us to capture a premium in the market.

Phase One of MEGA IDC, Hong Kong's largest hyperscale data centre by power capacity, was successfully pre-launched in the first half of 2024. This greenfield site in Tseung Kwan O has been equipped with state-of-the-art infrastructure as well as abundant power provision that can support the latest high-density server deployments. The first group of customers has already commenced operations, and we are actively working through a strong pipeline of potential customers eager to deploy at this site. In light of the positive reception for Phase One, we have initiated the construction of Phase Two of MEGA IDC, which will add c.350,000 square feet of GFA. Completion is scheduled for 2026/2027, and this will further expand our capacity to meet the growing demand for hyperscale data centre services in Hong Kong.

Our connectivity business remains robust, supported by the extensive ecosystem of cross-connects and subsea cable connections within MEGA-i. The number of cross-connects continues to grow steadily. We anticipate strong demand to persist as additional international cables are routed through Hong Kong, further enhancing the region's status as a connectivity hub.

With the successful launch of Phase One of MEGA IDC, we have now moved past the peak of our capital expenditure. Going forward, our investments will be more targeted on just-in-time deployment of customer-related fit-outs and the development of Phase Two of MEGA IDC. Data centres are inherently capital-intensive, and with the outlook for further interest rate cuts remaining uncertain, the cost of capital is likely to remain elevated in the foreseeable future. In light of this, and despite the strong demand and a robust sales pipeline, we remain resolutely focused on exercising the most stringent cost discipline across both capital and operating expenditures. Given the higher cost of capital, we are prioritising premium projects that necessitate advanced infrastructure and are well-positioned to generate above-market returns. We want to ensure our capital is utilised efficiently, optimising our investments and enhancing overall returns. We will continue to prudently manage our balance sheet to maintain a cost-effective capital structure, building out capacity in phases aligned with confirmed customer orders. Our adjusted gearing ratios remain healthy at 52%[1], or 37%[1] excluding shareholders' loans, reinforcing our strong financial position.

SUNeVision won the Judicial Review case against the Hong Kong Science and Technology Parks Corporation (HKSTP) in May 2022 regarding unauthorised subletting activities among data centre operators in the Tseung Kwan O InnoPark under HKSTP’s management. Over a year ago, HKSTP informed us that its investigation uncovered multiple breaches by operators, including HKCOLO and NTT Com Asia Ltd. Yet, the only concrete enforcement action taken by HKSTP so far is the writ against HKCOLO. The rectification from NTT has not been completed even after more than two years. This is a clear sign that HKSTP has been dragging its feet in the enforcement process. We have repeatedly urged HKSTP to disclose to the public any details on what has been done to rectify the breaches and whether all potential breaches in Tseung Kwan O InnoPark have been investigated but HKSTP still insisted that they “see no reason why HKSTP must publish any result of its investigation whenever it comes across an arrangement in breach of the Lease Restrictions”.

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[1]*Adjusted gearing ratios are calculated based on fair value of the major completed data centres as of 31 December 2024 and net debt as of 31 December 2024. 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. Adjusted gearing ratios are calculated as net debt divided by the sum of total equity and revaluation surplus. Total equity refers to historical cost of the Group’s data centres minus depreciation. Revaluation surplus refers to fair market value of the Group’s data centres in operation as assessed by an independent valuer with assumed capitalisation rates ranging from 4.75% to 6.25%, minus their net book value.*

This lack of transparency is unacceptable and in our view, unprecedented for a government related entity. This attitude of procrastination is equally disappointing. HKSTP owes a full explanation to the public. It must disclose the findings of its investigation and, more importantly, the concrete steps it has taken to address these breaches. By allowing these unauthorised activities to persist, HKSTP is not only failing its mandate but is effectively using taxpayers' money to subsidise sizable foreign financial institutions, telecom operators and enterprises – an outrageous misuse of public resources.

The failure to act swiftly and decisively raises serious questions about the accountability of HKSTP's board and management to Hong Kong and its taxpayers. As a publicly funded entity entrusted with significant resources, HKSTP has a duty to lead with integrity, urgency, and transparency. We call on HKSTP to provide to the public an open and thorough resolution to these issues—not just for the sake of fair competition, but for the long-term benefit of the industry, the taxpayers, and Hong Kong as a whole.

PROSPECTS

As we look ahead, we remain optimistic about the potential opportunities brought on by rapid advancements in artificial intelligence. The recent emergence of DeepSeek likely signifies another phase in AI development. As our data centres are not used for model training with advanced chips, there is no negative impact on us in demand. On the contrary, over the medium term these trends can benefit our growth. The cost efficiency improvements brought about by DeepSeek and other followers will reduce cost for AI application developers and in turn accelerate enterprise AI adoption. This is very beneficial to the demand for AI "inference" data centres like ourselves, as AI applications will need to be hosted in metro areas with low latency. Our MEGA IDC is uniquely equipped to cater to such demand, as we have superior power provision and cutting-edge infrastructure.

With the upcoming launch of MEGA IDC Phase Two, we will enhance our capabilities further. This next phase will integrate the latest customer specifications and allow flexibility for further innovative solutions such as liquid cooling and optimised floor loading and power distribution. Such advancements not only reflect our commitment to excellence but also ensure we remain at the forefront of technological evolution and efficiency. Moreover, our unwavering focus on delivering exceptional infrastructure and services has established us as a preferred partner for leading cloud providers. We are committed to providing industry-leading reliability, with our data centres ensuring high availability and resilience. Importantly, our data centre business prioritises security at every level, implementing state-of-the-art protocols to safeguard against both physical and cyber threats, ensuring the highest level of protection for our customers' critical infrastructure and data.

We recognise the complexities of the external environment – characterized by high interest rates, geopolitical tensions, and rising costs, and we will be agile in addressing these challenges. At the same time, we remain confident that the demand for our services will continue to grow. The global shift towards digital transformation and AI adoption presents significant opportunities, and we are well-positioned to seize them. Our strategic focus on disciplined capital allocation and operational excellence will enable us to navigate these challenges effectively.

The Group remains committed to its Environmental, Social, and Governance (ESG) initiatives, consistently investing in state-of-the-art energy-efficient equipment and infrastructure for our data centres. We have 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 as well as the certification of LEED Gold Building Design and Construction for MEGA IDC, MEGA Gateway and MEGA Plus. This recognition highlights our commitment to implementing environmentally sustainable practices in the management of our data centres.

We are actively advancing towards our long-term objective of achieving carbon neutrality by embracing innovations that enhance energy efficiency and sustainability. SUNeVision has proudly maintained its carbon-neutral status for internal operations for two consecutive years. Additionally, SHKP together with Veolia and CITIC Pacific have built the city's first privately funded solar farm on a landfill in Tseung Kwan O. SUNeVision will harness the green power generated from these solar panels for our data centre operations. Our dedication to sustainability has been acknowledged with the Sustainable Organization – Merit award at the UNSDG Achievement Awards Hong Kong 2024.

APPRECIATION

I want to close by thanking all the Directors and management, and every member of our committed staff for their dedication and hard work to ensure we maintained 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, 25 February 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

iAdvantage

SUNeVision operates its data centre business under iAdvantage. As at 31 December 2024, the Group operates eight data centres in Hong Kong, seven of which are owned by the Group. 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. It offers best-in-class facilities built around the MEGA Campus (consisting of MEGA-i, MEGA Plus, MEGA Two, MEGA Fanling, MEGA Gateway and MEGA IDC) 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, local enterprises and financial institutions.

The demand for the Group's data centre services remained strong during the period under review. Demand for "connectivity" capacity, mainly through MEGA-i, continued to grow. MEGA Gateway has also seen increasing connectivity demand as a resilience site to MEGA-i. As more international subsea cables come to Hong Kong, including Asia Direct Cable ("ADC") which landed in HKIS-1 and has officially launched, the Group expects that demand for connectivity will continue to increase. Demand for "hyperscale" capacity continued to increase as well. With the emergence of AI, hyperscalers expanded their capacity at the Group's existing and new sites with increased power requirements. To accommodate the rising demand for more powerful computing capabilities for new applications, the Group has enhanced the electrical capacity at its facilities.

The well-established MEGA-i is a major connectivity hub in Asia and the most carrier-dense colocation site in the world[2], currently carrying around 15,000 cross-connects and interconnecting hundreds of global and regional telcos, ISPs, enterprises, cloud and new economy players within its ecosystem. The number of cross-connects within MEGA-i continues to grow steadily. The ongoing upgrade of power capacity at MEGA-i has further strengthened the Group's ability to meet customers' increasingly intense power needs and enhanced its leading position in connectivity.

The Group's new data centre MEGA Gateway in Tsuen Wan, which opened in the first quarter of 2023, has 90% of its deployed capacity taken up by a good mix of cloud, telco and bank customers. It is experiencing strong demand, with a major Asian tech company having moved in. As there has been less supply recently within the Tsuen Wan cluster, the Group's negotiating power has become stronger, and so it is prioritising connectivity customers who are willing to pay higher prices to fill up the remaining capacity, further reinforcing the Group's strategy of just-in-time delivery to meet concrete and high margin customer demands. MEGA Gateway's strategic positioning as an expansion of MEGA-i, is focused on becoming the next major connectivity hub in Hong Kong and has directed efforts towards attracting high-value, connectivity-intensive customers. This targeted approach has helped increase interconnection revenue.

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[2] *Source: TeleGeography "The State of the Network" 2024 Edition*

MEGA Plus, the Group’s high-tier flagship data centre in Tseung Kwan O, and MEGA Two, strategically located in Shatin – a key gateway for data flow between mainland China and Hong Kong – are both effectively fully occupied. The revitalisation work of multiple floors of MEGA Two has allowed the Group to attract hyperscale and cloud service providers with higher power demands, further enhancing its position in this strategic location. MEGA Fanling, the single-user data centre project based on an asset-light model, became operational in June 2022 and is fully ramped up. The Group, which owns the majority of its data centres, has a strategic advantage that enables it to provide long-term service stability, which is valued by all its major customers, especially cloud players.

MEGA IDC is the Group’s flagship greenfield project in Tseung Kwan O with approximately 1.2 million square feet GFA and is designed to support an ultra-high IT power capacity of up to 180MW. This truly state-of-the-art facility has extraordinarily abundant electricity provision and a superior infrastructure designed for and capable of housing the most demanding servers, capturing the demand driven by AI. It is located right next to MEGA Plus and connects directly to MEGA-i through MEGA Plus via a subsea cable system - TKO Connect, providing unrivalled connectivity for the customers. It is being built on land approved for data centre use and is free from any subletting restrictions which apply to data centres in the nearby industrial estate. Phase One of MEGA IDC, consisting of approximately 500,000 square feet GFA and 50MW, was successfully pre-launched in the first half of 2024. This facility is 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 first group of customers has already commenced operations, and the Group is actively working through a strong pipeline of potential customers eager to deploy at this site. In light of the positive reception for Phase One, the Group has initiated the construction of Phase Two of MEGA IDC, which will add approximately 350,000 square feet of GFA. Completion of Phase Two is scheduled for 2026/2027, and this will further expand the Group’s capacity to meet the growing demand for hyperscale data centre services in Hong Kong.

The completion of the entire MEGA IDC development project will increase the total gross floor area of the Group’s data centres in Hong Kong from 2.3 million square feet as at 31 December 2024 to almost 3 million square feet, and its power capacity will increase from 150MW to over 280MW when the facilities are fully operational.

The Hong Kong Segment of China Telecom Global’s Asia Direct Cable (“ADC”), which had landed at the Group's HKIS-1 cable landing station in 2023, has now officially launched. The added capability of the cable landing station 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.

Cost control continues to be of focus, with the outlook for further interest rate cuts remaining uncertain, the cost of capital is likely to remain elevated in the foreseeable future. In light of this, and despite the strong demand and a robust sales pipeline, the Group remains resolutely focused on exercising the most stringent cost discipline across both capital and operating expenditures. The Group has been taking action and adopting just-in-time delivery to meet concrete and confirmed customer orders which reinforces the Group’s discipline on cost and cash management.

As the largest data centre service provider in Hong Kong with Asia's number one connectivity, the Group is pleased to have won the 2024 CAHK STAR Awards – Best Data Centre Gold Award for its groundbreaking hyperscale project MEGA IDC, recognising the state-of-the-art infrastructure and best-in-breed data centre solutions. The Group is honoured to have achieved a double triumph at the 19th China IDC Industry Annual Ceremony, earning the prestigious "Leading Enterprise Award for Going Global" and "Innovative Development Award", marking the sixth consecutive year of receiving the industry award. The flagship data centre MEGA-i under the Group has been recognised as the most carrier-dense colocation site globally by TeleGeography for three consecutive years. 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 as well as the certification of LEED Gold Building Design and Construction for MEGA IDC, MEGA Gateway and MEGA Plus. The cable landing station HKIS-1 has also achieved a Rated-4 Certification of "ANSI/TIA-942 DCCC". The recognition reaffirms that the Group's energy-efficient data centre management practice is reinforcing its environmental goals and supporting its customers' sustainability targets.

With a commitment to improving the Group's environmental, social and governance performance, and contributing to Hong Kong's innovation and technology development, the Group launched its Startup Programme for second consecutive year. This initiative aims to accelerate the growth of local startups and enhance the thriving I&T ecosystem within Hong Kong's digital economy. The Group actively finds new ways to finance and operate in a more sustainable manner. To help underpin the long-term sustainability performance of the Group, around 45% of bank financing is sustainability-linked. The Group purchases 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 has signed a 6-year agreement with CLP Power to purchase the CLP Renewable Energy Certificates (RECs) linked to the environmental attributes generated by the solar farm operated by Green Valley Landfill Limited (affiliate of Sun Hung Kai Properties). In addition, the Group was awarded "UNSDG Achievement Awards Hong Kong 2024 – Sustainable Organisation – Merit" from Green Council for its proven track record in ESG. With its robust corporate governance practices and dedication to sustainable development, the Group achieved an 'A' in the MSCI ESG Ratings. These awards and gradings serve as a recognition and are a 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$47 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.

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 WiFi solutions to different sectors.

FINANCIAL REVIEW

Review of operating results

During the period under review, the Group's revenue increased by 14% year on year to HK$1,470 million. Revenue from data centre and IT facilities business rose by 15% year on year to HK$1,361 million, primarily driven by revenue contribution from new customers moving in to the new sites during the period under review. Revenue from the ELV and IT systems business increased by 4% year on year to HK$109 million as a result of an increased installation fee income. The Group's cost of sales increased by 6% year on year to HK$643 million, primarily due to higher staff costs and depreciation as a result of the opening of new sites like MEGA IDC. Operating expenditure increased by 16% year on year to HK$84 million predominantly attributable to the expansion of the Group's data centre businesses. The Group's operating expenditure to sales ratio maintained steady at approximately 6% compared to the previous comparable period.

Operating profit of the Group rose by 21% year on year to HK$752 million supported by an increase in revenue from data centre and IT facilities business but partially offset by an increase in operating expenditure and depreciation from the addition of new sites.

EBITDA of the Group increased by 17% year on year to HK$1,053 million, driven mainly by EBITDA growth from the data centre business. EBITDA margin rose to 72% due to customers having moved in for the new sites and improved rental.

Profit attributable to owners of the Company increased 11% year on year to HK$484 million due to higher revenues and improved rental. Finance costs increased by 65% year on year to HK$172 million mainly due to lower interest capitalisation upon the commissioning of MEGA IDC Phase One.

Net cash generated from operating activities excluding movement in working capital of the Group increased by 37% year on year to HK$982 million, driven by business growth.

Capital Investment

The data centre developments and fit-outs of MEGA Gateway, MEGA IDC 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 capital expenditure of the Group has reached a peak level in the last financial year as it was completing the buildout and related fit-out infrastructure for MEGA Gateway and Phase One of MEGA IDC. The Group continues to exercise the highest level of discipline on cost and cash management. All capital expenditure will be deployed on the basis of just-in-time to meet concrete and confirmed customer orders. 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 the changing customer and market environment.

Other financial discussion and analysis

The Group had HK$517 million bank balances and deposits as of 31 December 2024, while bank borrowings were HK$12,212 million. Total net bank borrowings increased by 3% to HK$11,695 million compared to HK$11,398 million as at 30 June 2024. The shareholder's loans were HK$5,000 million as at 31 December 2024, consisting of an existing HK$3,800 million fixed-rate facility, whose maturity has been extended for 24 months and the fixed interest rate of 3% to be converted to a floating rate with effect from 3 January 2025, and a new HK$2,000 million floating rate facility of which HK$1,200 million had been utilised. 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 31 December 2024 was 324%; excluding the long-term unsecured shareholder's loans of HK$5,000 million from SHKP Group, such ratio was 233%.

At the end of December 2024, the Group's total equity based on the historical cost of the Group's data centres minus depreciation was HK$5.2 billion. If the total equity were based on the fair market value of the Group's data centres in operation, as assessed by an independent valuer, the Group's total equity would increase to HK$31.9 billion. Based on this market-based valuation, the Group's gearing ratio would be substantially lower at 37%[3] without shareholder's loans (or 52%[3] including shareholder's loans). 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.

As of 31 December 2024, the Group had no contingent liability while the Company had an aggregate of HK$12,375 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 2024.

EMPLOYEES

The Group employed 518 full-time employees as of 31 December 2024. During the period under review, SUNeVision continued to promote and protect the health and safety of its employees. The Group has implemented various measures to safeguard the wellbeing of its employees whilst maintaining the highest service standards for customers. To remain an employer of choice and attract new talent in an increasingly competitive labour market, SUNeVision has introduced a range of programmes to support 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.

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[3] *Adjusted gearing ratios are calculated based on fair value of the major completed data centres as of 31 December 2024 and net debt as of 31 December 2024. 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. Adjusted gearing ratios are calculated as net debt divided by the sum of total equity and revaluation surplus. Total equity refers to historical cost of the Group's data centres minus depreciation. Revaluation surplus refers to fair market value of the Group's data centres in operation as assessed by an independent valuer with assumed capitalisation rates ranging from 4.75% to 6.25%, minus their net book value.*

Consolidated Statement of Profit or Loss and Other Comprehensive income

For the six months ended 31 December 2024

	NOTES	Six months ended 31 December 2024 HK$'000 (unaudited)	2023 HK$'000 (unaudited)
Revenue	3	**1,469,926**	1,289,640
Cost of sales		**(642,887)**	(607,103)
Gross profit		**827,039**	682,537
Other income	4	**8,636**	11,676
Selling expenses		**(21,908)**	(18,904)
Administrative expenses		**(62,130)**	(53,311)
Profit from operations		**751,637**	621,998
Finance costs		**(172,003)**	(104,106)
Profit before taxation		**579,634**	517,892
Income tax expense	5	**(95,640)**	(82,452)
Profit and total comprehensive income for the period attributable to owners of the Company	6	**483,994**	435,440
Earnings per share based on profit attributable to owners of the Company (reported earnings per share)	8		
Basic (Remark (i))		**11.92 cents**	10.73 cents
Diluted (Remark (i))		**11.92 cents**	10.73 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 8 and 14 respectively.

Consolidated Statement of Financial Position

At 31 December 2024

	NOTES	**31 December 2024** **HK$'000** ***(unaudited)***	30 June 2024 *HK$'000* *(audited)*
Non-current assets			
Investment property		**58,000**	58,000
Property, plant and equipment	9	**23,278,985**	22,770,006
Equity instrument at fair value through other comprehensive income		**3,710**	3,710
		23,340,695	22,831,716
Current assets			
Inventories		**4,645**	6,178
Trade and other receivables	10	**788,924**	696,500
Contract assets		**34,004**	38,700
Cash and cash equivalents		**516,866**	498,741
		1,344,439	1,240,119
Current liabilities			
Trade and other payables	11	**1,513,574**	1,779,887
Contract liabilities		**106,884**	88,048
Lease liabilities		**17,621**	18,051
Tax payables		**60,732**	76,849
		1,698,811	1,962,835
Net current liabilities		**(354,372)**	(722,716)
Total assets less current liabilities		**22,986,323**	22,109,000
Non-current liabilities			
Contract liabilities		**3,253**	3,761
Lease liabilities		**178,756**	187,955
Deferred tax liabilities		**440,002**	402,215
Bank borrowings	12	**12,212,016**	11,897,116
Shareholder's loans	13	**5,000,000**	4,500,000
		17,834,027	16,991,047
Net assets		**5,152,296**	5,117,953
Capital and reserves			
Share capital	14	**233,906**	233,906
Reserve arising from issuance of convertible notes	14	**172,002**	172,002
Other reserves	14	**4,744,360**	4,710,017
Equity attributable to owners of the Company		**5,150,268**	5,115,925
Non-controlling interests		**2,028**	2,028
Total equity		**5,152,296**	5,117,953

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024

	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	Property valuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2024 (audited)	233,906	2,377,540	172,002	56,732	48,639	2,227,106	5,115,925	2,028	5,117,953
Profit and total comprehensive income for the period	-	-	-	-	-	483,994	483,994	-	483,994
Recognition of equity-settled share-based payments	-	-	-	2,470	-	-	2,470	-	2,470
Lapse of share options	-	-	-	(502)	-	502	-	-	-
Unclaimed dividend forfeited	-	-	-	-	-	2,495	2,495	-	2,495
Final dividend and distribution paid (note 7)	-	-	-	-	-	(454,616)	(454,616)	-	(454,616)
At 31 December 2024 (unaudited)	**233,906**	**2,377,540**	**172,002**	**58,700**	**48,639**	**2,259,481**	**5,150,268**	**2,028**	**5,152,296**

	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	Property valuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2023 (audited)	233,906	2,377,540	172,002	68,700	48,639	1,753,006	4,653,793	2,028	4,655,821
Profit and total comprehensive income for the period	-	-	-	-	-	435,440	435,440	-	435,440
Recognition of equity-settled share-based payments	-	-	-	3,147	-	-	3,147	-	3,147
Lapse of share options	-	-	-	(6,894)	-	6,894	-	-	-
Final dividend and distribution paid (note 7)	-	-	-	-	-	(454,616)	(454,616)	-	(454,616)
At 31 December 2023 (unaudited)	233,906	2,377,540	172,002	64,953	48,639	1,740,724	4,637,764	2,028	4,639,792

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 2024 and 2023. As a result, the Convertible Notes in the amount of HK$172,001,633.30 remained outstanding as at 31 December 2024 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".

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$354,372,000 as at 31 December 2024. The Group's total equity is HK$5.2 billion as at 31 December 2024. For illustrative purposes, had the Group's data centres in operation (which is stated at cost net of accumulated depreciation) been stated at fair value at 31 December 2024, total equity of the Group at 31 December 2024 would be HK$31.9 billion. The fair value, which was determined based on the income approach, has been arrived at with the assistance of an independent valuer not connected with the Group. Such information is for illustrative purposes only and is not necessarily an indication of total equity of the Group that actually would have been achieved had the Group's data centres in operation been stated at fair value at 31 December 2024, nor is it intended to be a projection of future results.

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 of HK$2,300,000,000 from financial institutions and a shareholder. 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 certain property and financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of the Hong Kong Financial Reporting Standards ("HKFRSs") and the amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2024.

2. PRINCIPAL ACCOUNTING POLICIES – continued

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following HKFRSs and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 July 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of 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.

3. SEGMENT INFORMATION

Disaggregation of revenue

For the six months ended 31 December 2024

Segments	**Data centre and IT facilities**	**ELV and IT systems**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Types of services recognised over time			
Income from data centre and information technology ("IT") facilities colocation services and interconnection services	**1,360,605**	**-**	**1,360,605**
Installation and maintenance fee of extra-low voltage ("ELV") and IT systems	**-**	**109,321**	**109,321**
Revenue from contract with customers	**1,360,605**	**109,321**	**1,469,926**

For the six months ended 31 December 2023

Segments	Data centre and IT facilities	ELV and IT systems	Total
	HK$'000	*HK$'000*	*HK$'000*
Types of services recognised over time			
Income from data centre and IT facilities colocation services and interconnection services	1,184,991	-	1,184,991
Installation and maintenance fee of ELV and IT systems	-	104,649	104,649
Revenue from contract with customers	1,184,991	104,649	1,289,640

All revenue is generated from Hong Kong for the six months ended 31 December 2024 and 2023.

3. SEGMENT INFORMATION – continued

Segment revenue and results

Segment profit represents the profit earned by each segment without allocation of central administrative costs, directors' emoluments, interest income, certain 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.

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 2024

	Data centre and IT facilities *HK$'000*	**ELV and IT systems** *HK$'000*	**Elimination** *HK$'000*	**Consolidated total** *HK$'000*
REVENUE				
External	**1,360,605**	**109,321**	**-**	**1,469,926**
Inter-segment	**-**	**95**	**(95)**	**-**
Total	**1,360,605**	**109,416**	**(95)**	**1,469,926**
RESULTS				
Segment results	**752,003**	**20,611**	**-**	**772,614**
Unallocated corporate expenses				**(28,457)**
Interest income				**6,697**
Rental income				**783**
Finance costs				**(172,003)**
Profit before taxation				**579,634**

For the six months ended 31 December 2023

	Data centre and IT facilities *HK$'000*	ELV and IT systems *HK$'000*	Elimination *HK$'000*	Consolidated total *HK$'000*
REVENUE				
External	1,184,991	104,649	-	1,289,640
Inter-segment	-	95	(95)	-
Total	1,184,991	104,744	(95)	1,289,640
RESULTS				
Segment results	622,921	19,358	-	642,279
Unallocated corporate expenses				(27,628)
Interest income				6,564
Rental income				783
Finance costs				(104,106)
Profit before taxation				517,892

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	
	2024	2023
	HK$'000	*HK$'000*
Interest income	**6,697**	6,564
Rental income	**783**	2,469
Miscellaneous	**1,156**	2,643
	---------	---------
	8,636	11,676
	=====	=====

5. INCOME TAX EXPENSE

	Six months ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Current tax		
- Hong Kong Profits Tax	**57,853**	63,189
Deferred tax charge	**37,787**	19,263
	---------	---------
	95,640	82,452
	=====	=====

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the period.

6. PROFIT FOR THE PERIOD

	Six months ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Staff costs	**151,878**	134,440
Share-based payments	**2,470**	3,147
Retirement benefit scheme contributions	**4,800**	3,869
	----------	----------
Total staff costs including directors' emoluments	**159,148**	141,456
	======	======
Depreciation of property, plant and equipment	**312,486**	293,100
Less: amounts capitalised	**(4,379)**	(9,062)
	----------	----------
	308,107	284,038
	======	======
Loss on disposal of property, plant and equipment	**-**	46
Interest on bank borrowings	**311,744**	297,586
Interest on shareholder's loans	**77,383**	57,468
Other finance costs	**17,901**	13,735
Interest on lease liabilities	**3,032**	3,249
Less: amounts capitalised	**(238,057)**	(267,932)
	------------	------------
Total finance costs	**172,003**	104,106
	=======	======

7. DIVIDENDS

During the period, a final dividend of HK11.20 cents per share in respect of the year ended 30 June 2024 (2023: HK11.20 cents per share in respect of the year ended 30 June 2023) 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$454,616,000 (31 December 2023: HK$454,616,000).

The board of directors does not recommend the payment of an interim dividend for the six months ended 31 December 2024 (31 December 2023: nil).

8. 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:

	Six months ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**483,994**	435,440

	2024	2023
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**4,059,073,666**	4,059,073,666

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 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 2024 and 2023. Save as the share options mentioned above, there were no other dilutive potential ordinary shares in existence during the six months ended 31 December 2024 and 2023.

9. PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment including right-of-use assets amounted to approximately HK$821,837,000 (31 December 2023: HK$1,716,018,000).

During the period, the Group entered into a new lease agreement for warehouse usage (31 December 2023: office usage) for 3 years (31 December 2023: 3 years). The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised HK$619,000 (31 December 2023: HK$4,832,000) of right-of-use asset and HK$619,000 (31 December 2023: HK$4,832,000) of lease liability.

During the six months ended 31 December 2024, the management reassessed the useful lives of Group's certain data centre facilities. In previous years, certain data centre facilities were depreciated 10% per annum. With effect from 1 July 2024, certain data centre facilities have been depreciated at 6.67% per annum for alignment with latest expected useful lives of the related assets and the practice of other operators in the industry. As a result, depreciation expense decreased by approximately HK$71 million for the six months ended 31 December 2024.

10. TRADE AND OTHER RECEIVABLES

	31 December	30 June
	2024	2024
	HK$'000	*HK$'000*
Trade receivables	**300,226**	323,198
Less: allowance for credit losses	**(84)**	(204)
	300,142	322,994
Unbilled revenue for use of data centre and IT facilities (note)	**259,231**	162,816
Other receivables	**74,207**	69,402
Prepayments	**114,509**	109,360
Deposits paid	**40,835**	31,928
	788,924	696,500

Note: Unbilled revenue represents services provided but not yet billable according to the terms of the contract with customers. The amounts are unconditional and will be billed according to the billing arrangement as set out in the contract with customer.

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	30 June
	2024	2024
	HK$'000	*HK$'000*
0 - 60 days	**261,490**	288,127
61 - 90 days	**8,073**	10,576
> 90 days	**30,579**	24,291
	300,142	322,994

As at 31 December 2024, out of the past due balances, HK$30,579,000 (30 June 2024: HK$24,291,000) 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 material default history noted.

11. TRADE AND OTHER PAYABLES

	31 December 2024 *HK$'000*	30 June 2024 *HK$'000*
Trade payables aged within 60 days	**31,165**	7,598
Trade payables aged over 60 days	**1,844**	770
Other payables and accruals	**1,301,955**	1,594,531
Dividend payable	**3,553**	-
Deposits received	**175,057**	176,988
	1,513,574	1,779,887

12. BANK BORROWINGS

During the period, the Group did not obtain any new long term banking facilities (31 December 2023: HK$1,600,000,000) and raised unsecured bank loans of HK$800,000,000 (31 December 2023: HK$1,590,000,000) from its existing unutilised banking facilities and repaid the bank loan with a principal amount of HK$500,000,000 (31 December 2023: Nil). As at 31 December 2024, the Group has available unutilised banking facilities of HK$1,500,000,000 (30 June 2024: HK$1,800,000,000).

At 31 December 2024, the carrying amount of the Group's unsecured bank loans amounted to approximately HK$12,212,016,000 (30 June 2024: HK$11,897,116,000). 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 2024 *HK$'000*	30 June 2024 *HK$'000*
Within a period of more than one year but less than two years	**4,978,750**	2,394,500
Within a period of more than two years but less than five years	**7,233,266**	9,502,616
	12,212,016	11,897,116

13. SHAREHOLDER'S LOANS

On 28 December 2018, the Group and Sun Hung Kai Properties Limited and its subsidiaries, other than members of the Group ("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 from the first date of draw down 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. On 17 June 2024, SHKP Group had agreed to extend the loan to a further 24 months and the fixed interest rate shall amend to a Hong Kong Interbank Offered Rate plus a margin with effect from 3 January 2025. On 17 June 2024, the Group and SHKP Group entered into another loan agreement pursuant to which SHKP Group had agreed to make available unsecured term loan facility in an aggregate amount of HK$2,000,000,000 to the Group for a term of 36 months at a Hong Kong Interbank Offered Rate plus a margin. At the end of the reporting period, HK$5,000,000,000 (30 June 2024: HK$4,500,000,000) was drawn down from such facility which was used to fund various existing data centre projects and for working capital requirements.

14. SHARE CAPITAL AND OTHER RESERVES

	Number of ordinary shares	Amount *HK$'000*
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 July 2023, 31 December 2023, 1 July 2024 and **31 December 2024**	**10,000,000,000**	**1,000,000**
	===========	=======
Issued and fully paid:		
At 1 July 2024 and **31 December 2024**	**2,339,057,333**	**233,906**
	===========	=======

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 2024 and 2023, 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 2024 and **31 December 2024**	**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 (30 June 2024: 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 six months ended 31 December 2024 and 2023, no shares were issued upon exercise of share options.

(iii) Other reserves represented share premium, share option reserve, exchange reserve, property valuation reserve and retained profits. A dividend declared and paid of HK$454,616,000 (31 December 2023: HK$454,616,000) has been debited in the retained profits during the period.

DIVIDEND

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the six months ended 31 December 2024 (2023: Nil).

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim results for the six months ended 31 December 2024 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 2024/25 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 2024 and has provided advice and comments thereon.

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

During the six months ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the six months ended 31 December 2024, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

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

Hong Kong, 25 February 2025

As at the date of this announcement, the Board comprises four Executive Directors, being Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, 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 five Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose, Wong Kai-man, Lee Wai-kwong, Sunny and Jack Lau.