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This announcement, for which the directors (the "Directors") of SUNeVision Holdings Ltd. (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.



SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8008)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

HIGHLIGHTS

- SUNeVision continued to grow as it entered the 2017/18 financial year. It generated HK\$154.6 million in profit attributable to owners of the Company for the quarter ended 30 September 2017, an increase of 16% over the same quarter last year.
- Revenue for the quarter was HK\$312.5 million, a 14% growth over the same quarter last year. This was largely due to increased revenues from the Group's data centre operations.
- Gross profit for the quarter increased to HK\$186.9 million, with gross margin for the quarter at 60%. Cost of sales for the quarter rose by HK\$18.6 million to HK\$125.6 million. This was mainly due to higher operating costs and depreciation charge for new data centre.
- Operating expenditure for the quarter increased to HK\$20.1 million. This was mainly due to expanded sales and marketing resources, including various marketing activities for new data centre capacities as well as the legal and professional fees incurred in relation to the proposed transfer of listing from GEM to the Main Board announced by the Company on 19 September 2017.
- Other gain for the quarter was HK\$9.1 million, being the increase in fair value of a securities investment.
- The Group's cash and interest-bearing securities on hand as of 30 September 2017 amounted to approximately HK\$840.9 million, while it had long-term bank borrowing of HK\$980.3 million. The gearing as of 30 September 2017 calculated as net borrowing to shareholders' funds remained low at 8%.

	Jul to Sep 2017 <i>HK\$'M</i>	Jul to Sep 2016 <i>HK\$'M</i>
Revenue	<u>312.5</u>	<u>275.0</u>
Gross profit	186.9	168.0
Other income	7.0	6.1
Operating expenditure *	<u>(20.1)</u>	<u>(15.5)</u>
Profit from operations	173.8	158.6
Other gain	<u>9.1</u>	<u>-</u>
Profit before taxation	182.9	158.6
Income tax expense	<u>(28.3)</u>	<u>(25.7)</u>
Profit for the period attributable to owners of the Company	<u>154.6</u>	<u>132.9</u>

* Selling, general and administrative expenses

CHAIRMAN'S STATEMENT

SUNeVision maintained its growth momentum as it started the 2017/18 financial year, reporting HK\$154.6 million in profit attributable to owners of the Company for the quarter ended 30 September 2017, an increase of 16% over the same quarter last year.

Revenue for the quarter rose 14% to HK\$312.5 million, largely attributable to increased revenues from the Group's data centre operations. This increase came from revenues from our newly opened MEGA Plus, the Group's new data centre in Tseung Kwan O, as well as new customers and rental reversions of existing customers at other data centers. Cost of sales increased 17% to HK\$125.6 million during the quarter, mainly because of higher operating costs and depreciation charge for the new data centre. Gross profit amount rose 11% to HK\$186.9 million with gross margin for the quarter at 60%.

Operating expenditure for the quarter increased from HK\$15.5 million to HK\$20.1 million. This was mainly due to expanded sales and marketing resources, including various marketing activities for new data centre capacities as well as the legal and professional fees incurred in relation to the proposed transfer of listing from GEM to the Main Board announced by the Company on 19 September 2017.

Other gain for the quarter was HK\$9.1 million, being the increase in fair value of a securities investment.

The Group's financial position remained healthy with approximately HK\$840.9 million in cash and interest-bearing securities on hand as of 30 September 2017, despite a long-term bank borrowing of HK\$980.3 million. The Group had approximately HK\$288.9 million in net borrowing due to the planned capital expenditure for new data centre capacities. However, gearing as of 30 September 2017, calculated as net borrowing to shareholders' funds, remained low at 8%. During the quarter, the Group took advantage of favourable interest rates to obtain a new long-term HK\$2 billion loan facility to refinance its preceding bank borrowing and to fund various existing capital investment projects. Payment of a HK\$553.9 million final dividend and distribution for the 2016/17 financial year, which was approved by the shareholders at the Annual General Meeting on 31 October 2017, will be made on 20 November 2017.

Looking ahead, the Group will continue to enhance its assets and service quality. The Group is very proud of MEGA Plus as a state-of-the-art facility to cater for the most demanding data needs. It is the first purpose-built facility on land designated for data centre use by the Hong Kong government and was acquired through open tender at market rate. This distinguishes the site from neighbouring data centres in the Tseung Kwan O Industrial Estate, and is not subject to any restrictions on land use such as subletting. The transformation of the entire MEGA Two facility is also recently complete. MEGA Two becomes a dedicated high-tier data centre offering world-class security, network connectivity and facility management for customers. In addition, the optimization of MEGA-i to upgrade its power capacity to meet increasing demand from fast-growing customers is in full force. All these investments in new capacity and enhancements will provide the Group with a good foundation to satisfy the increasing demand for top-tier, premium service data centres. SUNeVision will continue to differentiate itself with superior infrastructure and quality service.

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

Kwok Ping-luen, Raymond
Chairman

Hong Kong, 2 November 2017

CHIEF EXECUTIVE OFFICER'S REPORT

OVERVIEW

SUNeVision reported its unaudited results for the first quarter of the 2017/18 financial year, with HK\$154.6 million in profit attributable to owners of the Company.

BUSINESS REVIEW

iAdvantage

iAdvantage secured new contracts from a leading global cloud service provider for its two data centre sites, which will be the main infrastructure for its expansion in the region. At the same time, iAdvantage continued to work on various major expansion and enhancement projects to maintain its market position as a major carrier-neutral data centre service operator in Hong Kong.

The MEGA Plus flagship facility is now in operation and one of the anchor customers has already moved in. Fitting-out works for other customers continued during the quarter. The facility is designed and built with high flexibility catering to different needs in term of resilience and power density of various high growth customer segments. It meets environmental requirements with high-efficiency power usage to achieve best-in-class energy saving. MEGA Plus is also the only data centre built on dedicated land in Tseung Kwan O without any restrictions on land use such as subletting. This distinguishes the site from the neighbouring data centres in the Tseung Kwan O Industrial Estate, which are built on subsidised land that prohibit any form of subletting.

The transformation of the entire MEGA Two facility in Sha Tin into a dedicated data centre building is recently complete, and has proven to be a strong attraction for customers with high standards for mission critical operations.

The optimization of the flagship MEGA-i facility, one of the most highly regarded data centres in the region, is in full force. It will enhance power capacity and density as well as connectivity in meeting the increasing demand from new and existing customers.

In addition to investing in the expansion of new capacity, there are continuous enhancements being made at existing data centres. The Group also invested additional sales and marketing resources to strengthen customer service quality.

Super e-Technology

Super e-Technology secured contracts for the installation of security surveillance, SMATV and IT systems totalling approximately HK\$15.5 million during the quarter.

Super e-Technology maintains a positive outlook for the security surveillance and SMATV sectors in the new financial year and is constantly pursuing opportunities to expand its service offerings.

Super e-Network

Super e-Network continues to capture new business providing wireless LAN infrastructure in shopping malls and related value added services. It will continue expanding its broadband deployment and Wi-Fi services to different sectors.

INVESTMENT

SUNeVision maintained its prudent approach to financial management, and it is committed to continued investment in existing and new infrastructure to enhance further business development.

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

Yan King-shun, Peter
Chief Executive Officer

Hong Kong, 2 November 2017

Quarterly Results

For the period ended 30 September 2017 (Unaudited)

The Board of Directors of SUNeVision Holdings Ltd. (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the three months ended 30 September 2017 together with the comparative unaudited figures for the corresponding period in 2016 as follows:

Consolidated Income Statement

	Notes	Three months ended 30 September	
		2017 HK\$'000	2016 HK\$'000
Revenue	2	312,541	274,996
Cost of sales		(125,613)	(107,034)
Gross profit		186,928	167,962
Other income	3	6,984	6,134
Selling expenses		(5,034)	(2,814)
Administrative expenses		(15,062)	(12,644)
		173,816	158,638
Other gain	4	9,067	-
Profit before taxation		182,883	158,638
Income tax expense	5	(28,297)	(25,708)
Profit for the period attributable to owners of the Company		154,586	132,930
Earnings per share based on profit attributable to owners of the Company (reported earnings per share)	6 (a)		
- Basic (Remark (i))		3.82 cents	3.29 cents
- Diluted (Remarks (i) and (ii))		3.82 cents	3.29 cents
Earnings per share excluding the effect of other gain (underlying earnings per share)	6 (b)		
- Basic (Remark (i))		3.60 cents	3.29 cents
- Diluted (Remarks (i) and (ii))		3.59 cents	3.29 cents

Remarks:

- (i) Upon completion of the bonus issue of shares (with a convertible note ("Convertible Notes(s)", which were constituted by the deed poll dated 25 November 2010) alternative) on 25 November 2010, the Company had 2,342,675,478 ordinary shares in issue and outstanding Convertible Notes which could be converted into 1,720,292,188 fully paid ordinary shares, representing a total of 4,062,967,666 ordinary shares which form the basis for the calculation of basic and diluted earnings per share. Adjustments are made in respect of shares repurchased.
- (ii) The calculation of diluted earnings per share for the three months ended 30 September 2017 has been taken into account of potential ordinary shares of 7,287,554 (2016: 3,492,947) shares in existence arising from the share options granted on 8 March 2016. The dilutive effect of the potential ordinary share to Group's reported earnings per share for the three months ended 30 September 2017 and 2016 were insignificant.

Details of earnings per share calculation and the Company's share capital are set out in notes 6 and 8 respectively.

Consolidated Statement of Comprehensive Income

	Three months ended 30 September	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit for the period	154,586	132,930
Other comprehensive expense for the period		
Items that may be reclassified subsequently to the consolidated income statement:		
Change in fair value of available-for-sale investments	(1,185)	(1,603)
Exchange differences arising from translation of operations outside Hong Kong	(5)	(3)
	(1,190)	(1,606)
Total comprehensive income for the period	153,396	131,324
Total comprehensive income attributable to:		
Owners of the Company	153,137	131,353
Non-controlling interests	259	(29)
	153,396	131,324

Notes to the Quarterly Results

1. BASIS OF PREPARATION

The Group's unaudited financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The principal accounting policies used in the quarterly financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2017.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning 1 July 2017, the application has no material impact on the reported results and the financial position of the Group for the current and/or prior accounting periods. For those which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

2. REVENUE

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

3. OTHER INCOME

	Three months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Interest income	6,570	5,904
Miscellaneous	414	230
	-----	-----
	6,984	6,134
	=====	=====

4. OTHER GAIN

Other gain for the three months ended 30 September 2017 represented the increase in fair value of an investment at fair value through profit or loss.

5. INCOME TAX EXPENSE

	Three months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Hong Kong profits tax	1,754	25,526
Deferred tax charge	26,543	182
	-----	-----
	28,297	25,708
	=====	=====

Hong Kong profits tax is calculated at 16.5% (2016: 16.5%) on the estimated assessable profits for the period.

6. EARNINGS PER SHARE

(a) 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:

	Three months ended 30 September	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Earnings for the purposes of basic and diluted earnings per share	154,586 =====	132,930 =====
	2017 Number of shares	2016 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,042,641,296	4,042,399,666
Effect of dilutive potential ordinary shares: Share options	7,287,554 -----	3,492,947 -----
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,049,928,850 =====	4,045,892,613 =====

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 8.

Save as the share options mentioned above, there were no other dilutive potential ordinary shares in existence during the three months ended 30 September 2017 and 2016.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, underlying earnings per share is calculated based on the underlying profit attributable to owners of the Company of HK\$145,519,000 (2016: HK\$ 132,930,000), excluding the effect of other gain. A reconciliation of profit is as follows:

	Three months ended 30 September	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit attributable to owners of the Company as shown in the consolidated income statement	154,586	132,930
Other gain	(9,067) -----	- -----
Underlying profit attributable to owners of the Company	145,519 =====	132,930 =====

7. RESERVES

	Three months ended 30 September							2016
	2017							
	Share premium <i>HK\$'000</i>	Reserve arising from issuance of convertible notes <i>HK\$'000</i> (Note (i))	Share option reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Investments revaluation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i> (Note (ii))	Total <i>HK\$'000</i>	Total <i>HK\$'000</i>
At beginning of the period	2,315,904	172,003	3,873	2,517	3,303	954,523	3,452,123	3,333,025
Profit for the period	-	-	-	-	-	154,586	154,586	132,930
Change in fair value of available-for-sale investments	-	-	-	-	(1,185)	-	(1,185)	(1,603)
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	(264)	-	-	(264)	26
Total comprehensive income for the period	-	-	-	(264)	(1,185)	154,586	153,137	131,353
Exercise of share options	80	-	(12)	-	-	-	68	-
Conversion of Convertible Notes (note 8)	-	(1)	-	-	-	-	(1)	-
Recognition of equity-settled share-based payments	-	-	349	-	-	-	349	722
At end of the period	2,315,984	172,002	4,210	2,253	2,118	1,109,109	3,605,676	3,465,100

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 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 represents the aggregate amount of the Convertible Notes outstanding at the period end. The Convertible Notes in the amounts of HK\$500.00 (2016: HK\$50.00) were exercised and converted into 5,000 (2016: 500) ordinary shares by noteholders during the three months ended 30 September 2017. As a result, the Convertible Notes in the amount of HK\$172,001,883.30 (2016: HK\$172,002,633.30) remained outstanding as at 30 September 2017.

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 can exercise the conversion rights at anytime 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".

- (ii) At a meeting held on 5 September 2017, the Board recommended the declaration of a final dividend of HK13.70 cents per share for the year ended 30 June 2017. The declaration of the final dividend was approved by the shareholders at the Annual General Meeting on 31 October 2017. This final dividend was not included as a dividend payable in the consolidated statement of financial position as at 30 September 2017.

8. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2016, 30 June 2017 and 30 September 2017	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 July 2016	2,322,372,833	232,237
Conversion of Convertible Notes (Note (i))	3,000	-
Exercise of share options	241,000	24
At 30 June 2017	2,322,616,833	232,261
Conversion of Convertible Notes (Note (i))	5,000	1
Exercise of share options (Note (ii))	29,000	3
At 30 September 2017	2,322,650,833	232,265

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 three months ended 30 September 2017, Convertible Notes in the amount of HK\$500.00 (2016: HK\$50.00) were exercised and converted into 5,000 (2016: 500) ordinary shares of the Company.

	Number of fully paid ordinary shares to be issued/(issued) upon conversion	Amount HK\$'000
At 1 July 2016	1,720,026,833	172,003
Conversion of Convertible Notes	(3,000)	-
At 30 June 2017	1,720,023,833	172,003
Conversion of Convertible Notes	(5,000)	(1)
At 30 September 2017	1,720,018,833	172,002

Upon conversion of all the outstanding Convertible Notes, the issued share capital of the Company would be 4,042,669,666 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 three months ended 30 September 2017, 29,000 (2016: nil) shares were issued upon the exercise of share options.

DIVIDEND

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the three months ended 30 September 2017 (2016: Nil).

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

During the three months ended 30 September 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

By order of the Board
SUNEVISION HOLDINGS LTD.
Lee Kok-ming
Company Secretary

Hong Kong, 2 November 2017

As at the date of this announcement, the Board comprises three Executive Directors, being Kwok Ping-luen, Raymond, Yan King-shun, Peter and Tung Chi-ho, Eric; six Non-Executive Directors, being Cheung Wing-yui, Fung Yuk-lun, Allen, Kwok Kai-wang, Christopher, David Norman Prince, Siu Hon-wah, Thomas and Chan Hong-ki; and five Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose, Wong Kai-man, Kwok Kwok-chuen and Lee Wai-kwong, Sunny.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.sunevision.com.