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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 2021

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

(in HK\$ million, unless specified)

For the year ended 30 June	2020	2021	% Change
Continuing operations			
- Revenue	1,714	1,874	+9%
- EBITDA	1,186	1,360	+15%
Underlying profit attributable to owners of the Company ¹	709	788	+11%

¹ Excluding the increase in fair value on investment properties (associated with discontinued operations)

RESULTS

During the year under review, the Group's revenue from continuing operations increased 9% year on year to HK\$1,874 million, driven by the increasing demand for our data centre services especially from our hyperscale and cloud customers. EBITDA from continuing operations rose 15% year on year to HK\$1,360 million. Underlying profit for the year attributable to owners of the Company increased 11% year on year to HK\$788 million.

DIVIDEND

The directors recommended the payment of a final dividend of HK19.40 cents per share for the year ended 30 June 2021. The dividend will be paid on 25 November 2021 following approval at the 2021 Annual General Meeting.

BUSINESS REVIEW

The pandemic has accelerated the process of digitalisation for both businesses and consumers, and together with an increasing adoption of cloud services in Hong Kong, have led to a higher demand for the Group's data centre services. There are two areas in particular where the Group sees continued growth for data centre services.

Firstly, the increased need for video conferencing, e-commerce, gaming and other online applications during the pandemic has increased the demand for "connectivity" capacity. The Group's MEGA-i has benefitted from this trend, as it is one of the leading connectivity hubs in Asia housing all major internet players, telcos and cloud players. MEGA-i is the "bridge" these different players use to connect amongst themselves to serve their customers. The recent upsurge in demand for all types of consumer and business applications has made MEGA-i more critical than ever before.

Secondly, the demand for "hyperscale" capacity has increased, primarily because cloud adoption has stepped up in Asia. All major cloud players now have established strong positions in Hong Kong and have aggressive expansion plans. Within our portfolio, currently both MEGA Two and MEGA Plus are facilities that provide superior infrastructure and power density to serve the most demanding cloud players. As explained below, our new data centres in the pipeline will provide further capacity to address this demand.

SUNeVision believes that the growth of the data centre industry in Hong Kong is beneficial to every participant. We are committed to providing the best infrastructure and services to our customers. At the same time, we also

strongly believe in fair competition. In June 2021, SUNeVision attended the appeal court hearing against the judgment on the judicial review case regarding alleged breach of the lease restrictions by data centre operators within Tseung Kwan O Industrial Estate (“TKOIE”) in subletting and sharing occupation of heavily subsidised land, and is now awaiting judgment. SUNeVision would like to stress that some TKOIE data centre operators have been operating in a way that allegedly involves subletting or permitting third parties to occupy the leased premises. This is particularly problematic because the premium paid by data centre operators within TKOIE is substantially below market price. Take for instance, the land premium charged by the Hong Kong Science and Technology Parks Corporation (“HKSTPC”) in 2019 was HK\$687 per square foot, which was significantly lower than the publicly tendered market prices in other parts of Hong Kong. SUNeVision’s data centres in Tseung Kwan O, on the other hand, are built on open tender sites with no restrictions on subletting and customer usage. SUNeVision can hence serve our customers more effectively and flexibly, and our customers will enjoy a higher degree of protection and privacy.

PROSPECTS

Looking ahead, the Group has a robust pipeline for growth. The first phase of the new Tsuen Kwan O data centre, MEGA IDC (TKOTL 131), will open in late 2022. Built on a dedicated site, MEGA IDC is free from any subletting restrictions, unlike the nearby industrial estates, and it will have state-of-the-art infrastructure and ultra-high power density. In addition, another new data centre in Tsuen Wan, MEGA Gateway (TWTL 428), will be opened in 2022. As recently announced, the Group will open its eighth data centre in Fanling in the second half of 2022. This facility, MEGA Fanling, is already fully committed and will be occupied by a single cloud customer. All in all, SUNeVision’s footprint will grow from the current 1.4 million square feet to nearly 3 million square feet of gross floor area (“GFA”) over the next few years. In terms of power capacity, it will quadruple from 70MW now to 280MW when the facilities in all three new sites are fully opened.

But it is not just about quantity; it is also very much about quality. The Group has launched a programme to upgrade existing data centres to ensure they are up to best-in-class standards. At MEGA-i we have been upgrading the quality of the infrastructure and substantially increasing its power density. This has enabled existing customers to expand their power usage without increasing their floor space. This has also allowed for the introduction of new customers with high-power requirement. SUNeVision is committed to constantly upgrading its facilities to ensure its customers enjoy the best infrastructure and services.

APPRECIATION

The events over the past year have brought dramatic change to the world and the way we go about our daily lives and business. In many ways, our data centres have become more critical than ever before as society and businesses become more interconnected and increasingly adopt digital technologies. I would like to close by thanking all the Directors and management, and every member of our 401 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, 2 September 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

iAdvantage

SUNeVision operates its data centre business under iAdvantage. The Group currently owns and operates five data centres in Hong Kong, and has three new sites under construction of which two are owned by the Group. iAdvantage is recognised as the preferred data centre operator to partner with in Hong Kong, being the largest, most connected, carrier-neutral and cloud-neutral data centre operator in Hong Kong, with best-in-class facilities built around the MEGA Campus (consisting of MEGA-i, MEGA Plus and MEGA Two). 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 won new customer contracts including contracts from hyperscale and cloud customers who needed to further expand their operations especially at the MEGA Campus. MEGA-i has been a key connectivity hub in Asia for many years, currently carrying around 15,000 cross-connects and interconnecting hundreds of telcos, ISPs, large enterprises, cloud service providers and new economy players within its ecosystem. The upgrade of the facility to enhance its power capacity by 40% was completed during the year under review, and customer feedback has been very positive. It is expected the enhanced power capacity will support future growth in the Group's connectivity business. MEGA Plus, the newest high-tier flagship data centre located in Tseung Kwan O, continues to see increased demand from global cloud service providers and new economy players. MEGA Two strategically located in Shatin, the New Territories, serves as a critical pathway for data traffic in and out of China. During the year under review, revitalisation work on multiple floors of MEGA Two was completed to meet the rising high power-density needs of the Group's hyperscale and cloud customers.

Construction of the new projects is entering into the final phase and is on schedule. MEGA Gateway, the new site TWTL 428 in Tsuen Wan has approximately 200,000 square feet of GFA and is located near the Group's existing facility JUMBO. MEGA IDC, the greenfield site TKOTL 131 in Tseung Kwan O, which is adjacent to MEGA Plus, has approximately 1.2 million square feet of GFA and will support an ultra-high IT power capacity of up to 180MW. This will be the largest data centre measured by power capacity in Hong Kong, and will give customers the advantage of being able to support their ongoing expansion needs for space and power. MEGA Gateway and Phase 1 of MEGA IDC are targeted to complete in the second and last quarter of 2022 respectively.

MEGA Fanling, the new single user data centre project announced on 7 July 2021 will be SUNeVision's 8th data centre in Hong Kong. A major hyperscale customer has committed, under a multi-year contract, to take this facility to meet its development needs in Hong Kong and the Asia region. The Group rented an industrial building situated in Fanling, New Territories, Hong Kong which is owned by an affiliate of the major shareholder of the Company, Sun Hung Kai Properties Limited, and will invest a significant amount of capital and resources to upgrade it for data centre use. This will be the Group's first single-user data centre fully pre-committed from inception and it will be ready-for-service in the second half of 2022. With the opening of these three new sites over the next few years, the total GFA of the Group's data centres in Hong Kong will grow from the current 1.4 million square feet to nearly 3 million square feet. In terms of power capacity, it will quadruple from 70MW now to 280MW when the facilities in all three new sites are fully opened. The timely supply of the three new data centres and revitalisation of existing ones will continue to enable the Group to benefit from the growing demand for high-end data centre facilities in Hong Kong.

The Group was pleased to receive the CAHK STAR Awards 2020 in the category of "Innovative Data Centre Service" presented by the Communications Associations of Hong Kong (CAHK), as well as the Renewable Energy Contribution Award presented by CLP Power Hong Kong Limited. Also, the Group was honoured to receive the "2020 China IDC Industry Best Data Centre Provider (Overseas)" Award at the 15th China IDC Industry Annual Ceremony (IDCC2020). To further reduce carbon emissions, the Group was involved in the CLP Retro-Commissioning Charter programme to improve the energy efficiency of its buildings. These awards together with the energy efficiency programme are a recognition of the Group's leading position in the data centre industry in Hong Kong, as well as demonstrating its commitment to environmental sustainability. The Group will continue to provide world-class data centre infrastructure and services and commit to green initiatives to enhance energy efficiency.

Raymond Tong, Chief Executive Officer, and Fiona Lau, Chief Commercial Officer, have received the IM100 Awards from Infrastructure Masons, a global, non-profit, professional association. This award recognises 100 global industry influencers who lead by example and demonstrate significant impact to the digital infrastructure industry.

Super e-Technology and Super e-Network

Super e-Technology secured contracts for the installation of Extra Low Voltage ("ELV") and IT systems totalling HK\$87 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 from continuing operations increased 9% year on year to HK\$1,874 million. Revenue from data centre and IT facilities business rose 14% year on year to HK\$1,746 million, which is largely a result of the continuing expansion of the Group's existing hyperscale and cloud customers in the data centre business, and the full year contribution of new contracts signed in the second half of financial year 2019/20 and the first half of financial year 2020/21. Revenue from ELV and IT systems business decreased 29% year on year to HK\$128 million, as a result of a lowered installation fee. The Group's cost of sales increased by 7% year on year to HK\$770 million, primarily due to higher depreciation charges and operating costs attributable to the expansion of the Group's data centre facilities. Operating expenditure increased 5% year on year to HK\$148 million, as more resources were deployed in selling and administration of the data centre services. Operating profit from continuing operations of the Group rose 11% year on year to HK\$961 million. Operating profit from data centre and IT facilities (before corporate expenses, interest and tax) rose 14% year on year to HK\$986 million and operating profit from ELV and IT systems (before corporate expenses, interest and tax) decreased 14% year on year to HK\$35 million.

EBITDA from continuing operations of the Group increased 15% year on year to HK\$1,360 million, driven mainly by EBITDA growth from the data centre business. The EBITDA margin from continuing operations rose to 73% from 69% in the previous year, mainly due to improved economies of scale and cost efficiency.

Profit attributable to owners of the Company increased 1% year on year to HK\$788 million. For the year ended 30 June 2020, profit attributable to owners of the Company included a fair value gain of HK\$74 million as a result of the disposal of investment properties (classified as discontinued operations) completed on 6 November 2019.

Excluding the effect of this fair value gain, underlying profit attributable to owners of the Company increased 11% year on year from HK\$709 million to HK\$788 million.

Finance costs reduced 38% year on year to HK\$22 million mainly due to the lower interest rate as a result of the reduction in HIBOR.

Capital Investment

The revitalisation of MEGA-i and multiple floors of MEGA Two, as well as the new site developments of MEGA Gateway, MEGA IDC and MEGA Fanling, 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\$387 million bank balances and deposits as of 30 June 2021, while long-term bank borrowings were HK\$7,262 million. Total net bank borrowings decreased slightly to HK\$6,875 million compared to HK\$6,881 million as at 31 December 2020. The shareholder's loan was HK\$3,300 million as at 30 June 2021, 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. Effective from 1 August 2020, the interest rate was amended from 4% per annum to 3% per annum. SHKP Group will continue to support the Group's development in long term.

The gearing ratio, being net debt divided by equity attributable to owners of the Company, as of 30 June 2021 was 229%; excluding the long-term unsecured shareholder's loan of HK\$3,300 million from SHKP Group, such ratio was 155%.

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

As of 30 June 2021, the Group had no contingent liability while the Company had an aggregate of HK\$7,339 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 2021.

EMPLOYEES

The Group employed 401 full-time employees as of 30 June 2021. During the year under review, in order to step up the protection of its employees, from Covid-19, the Group introduced special safety protocols and work arrangements, including flexible and remote working whilst maintaining the highest service standards to customers.

The Group offers its employees a wide range of opportunities for learning new skills and career development and commits to a competitive remuneration package. The fringe benefits, including Mandatory Provident Fund contributions and medical insurance, are reviewed regularly so that the Group can stay competitive in the employment market. Share options are granted to selected Directors and employees based on performance and as part of the retention package. In addition, the Group organised various engagement programmes on a regular basis in order to enhance organisational communication and team spirit.

Audited Consolidated Statement of Profit or Loss

For the year ended 30 June 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Continuing operations			
Revenue	3	1,873,950	1,713,844
Cost of sales		(769,788)	(722,007)
Gross profit		1,104,162	991,837
Other income	5	5,009	12,273
Selling expenses		(29,189)	(28,251)
Administrative expenses		(118,761)	(113,058)
Profit from operations		961,221	862,801
Finance costs	7	(22,316)	(36,106)
Profit before taxation		938,905	826,695
Income tax expense	6	(151,178)	(132,372)
Profit for the year from continuing operations	7	787,727	694,323
Discontinued operations			
Profit for the year from discontinued operations		-	88,926
Profit for the year attributable to owners of the Company		787,727	783,249
Earnings per share based on profit from continuing and discontinued operations attributable to owners of the Company (reported earnings per share)			
- Basic (Remark (i))	9 (a)	19.43 cents	19.35 cents
- Diluted (Remark (i))		19.40 cents	19.33 cents
Earnings per share excluding the effect of increase in fair value of investment properties (underlying earnings per share)			
- Basic (Remark (i))	9 (b)	19.43 cents	17.51 cents
- Diluted (Remark (i))		19.40 cents	17.50 cents
Earnings per share based on profit from continuing operations attributable to owners of the Company (earnings per share from continuing operations)			
- Basic (Remark (i))	9 (c)	19.43 cents	17.15 cents
- Diluted (Remark (i))		19.40 cents	17.13 cents

Audited Consolidated Statement of Profit or Loss

For the year ended 30 June 2021

Remark:

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

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 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year	787,727	783,249
Other comprehensive (expense) income for the year		
Items that may be reclassified subsequently to the consolidated statement of profit or loss:		
Change in fair value of debt instruments measured at fair value through other comprehensive income ("FVTOCI")	-	(567)
Exchange differences arising from translation of operations outside Hong Kong	(39)	5
	(39)	(562)
Total comprehensive income for the year	787,688	782,687
Total comprehensive income (expense) attributable to:		
Owners of the Company	786,533	783,126
Non-controlling interests	1,155	(439)
	787,688	782,687

Audited Consolidated Statement of Financial Position

At 30 June 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Property, plant and equipment		15,694,200	14,419,009
Equity instrument at FVTOCI		3,710	3,710
		<u>15,697,910</u>	<u>14,422,719</u>
Current assets			
Inventories		5,264	6,750
Trade and other receivables	10	362,582	329,127
Contract assets		18,537	21,205
Bank balances and deposits		387,316	401,951
		<u>773,699</u>	<u>759,033</u>
Current liabilities			
Trade and other payables	11	926,533	1,258,032
Contract liabilities		74,279	83,501
Lease liabilities		2,099	1,771
Tax payables		142,039	111,937
		<u>1,144,950</u>	<u>1,455,241</u>
Net current liabilities		<u>(371,251)</u>	<u>(696,208)</u>
Total assets less current liabilities		<u>15,326,659</u>	<u>13,726,511</u>
Non-current liabilities			
Contract liabilities		19,310	31,372
Lease liabilities		2,450	1,751
Deferred tax liability		292,877	251,671
Bank borrowings	12	7,261,690	5,816,494
Shareholder's loan	13	3,300,000	3,300,000
		<u>10,876,327</u>	<u>9,401,288</u>
Net assets		<u>4,450,332</u>	<u>4,325,223</u>
Capital and reserves			
Share capital	14	233,767	232,919
Reserve arising from issuance of convertible notes	14	172,002	172,002
Other reserves		4,029,454	3,906,348
Equity attributable to owners of the Company		<u>4,435,223</u>	<u>4,311,269</u>
Non-controlling interests		15,109	13,954
Total equity		<u>4,450,332</u>	<u>4,325,223</u>

Audited Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Reserve arising from issuance of convertible notes HK\$'000 (Note)	Share option reserve HK\$'000	Exchange reserve HK\$'000	Investments revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2019	232,658	2,326,982	172,002	10,500	2,673	567	1,431,370	4,176,752	14,393	4,191,145
Profit for the year	-	-	-	-	-	-	783,249	783,249	-	783,249
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	444	-	-	444	(439)	5
Change in fair value of debt instruments measured at FVTOCI	-	-	-	-	-	(567)	-	(567)	-	(567)
Total comprehensive income (expense) for the year	-	-	-	-	444	(567)	783,249	783,126	(439)	782,687
Exercise of share options (note 14)	261	7,305	-	(1,094)	-	-	-	6,472	-	6,472
Conversion of Convertible Notes (note 14)	*	-	*	-	-	-	-	-	-	-
Recognition of equity-settled share-based payments	-	-	-	12,932	-	-	-	12,932	-	12,932
Final dividend and distribution paid (note 8)	-	-	-	-	-	-	(668,013)	(668,013)	-	(668,013)
At 30 June 2020	232,919	2,334,287	172,002	22,338	3,117	-	1,546,606	4,311,269	13,954	4,325,223
Profit for the year	-	-	-	-	-	-	787,727	787,727	-	787,727
Exchange differences arising from translation of operations outside Hong Kong	-	-	-	-	(1,194)	-	-	(1,194)	1,155	(39)
Total comprehensive income (expense) for the year	-	-	-	-	(1,194)	-	787,727	786,533	1,155	787,688
Exercise of share options (note 14)	848	33,931	-	(5,953)	-	-	-	28,826	-	28,826
Recognition of equity-settled share-based payments	-	-	-	18,147	-	-	-	18,147	-	18,147
Final dividend and distribution paid (note 8)	-	-	-	-	-	-	(709,552)	(709,552)	-	(709,552)
At 30 June 2021	233,767	2,368,218	172,002	34,532	1,923	-	1,624,781	4,435,223	15,109	4,450,332

* Less than HK\$1,000

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 (2020: in the amount of HK\$50.00) were exercised and converted into ordinary shares (2020: 500 ordinary shares) by noteholders during the year ended 30 June 2021. As a result, the Convertible Notes in the amount of HK\$172,001,633.30 (2020: HK\$172,001,633.30) remained outstanding as at 30 June 2021.

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\$371,251,000 as at 30 June 2021. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations, including internal resources, available unutilised SHKP Group's facility, or obtain additional financing from financial institutions by taking into account the fair value of the Group's assets which are not pledged. 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 "Amendments to References to the Conceptual Framework in HKFRS Standards" and 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 annual periods beginning on or after 1 July 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

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

Notes to the Consolidated Financial Statements

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

Amendments to HKFRSs that are mandatorily effective for the current year (continued)

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

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

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

New and amendments to HKFRSs in issue but not yet effective

HKFRS 17	Insurance Contracts and the related Amendments ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2 ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ⁴
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁴
Amendments to HKAS 8	Definition of Accounting Estimates ⁴
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction ⁴
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020 ³

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for annual periods beginning on or after 1 April 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

⁵ Effective for annual periods beginning on or after a date to be determined

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

Notes to the 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 (continued)

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

The 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:

- 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:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- 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".

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 30 June 2021, including the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the amendments will not result in reclassification of the Group's liabilities.

Notes to the Consolidated Financial Statements

3. REVENUE

Continuing operations

Disaggregation of revenue

For the year ended 30 June 2021

	Data centre and IT facilities <i>HK\$'000</i>	ELV and IT systems <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of services recognised over time			
Income from data centre and IT facilities (including income of HK\$415,410,000 from other value-added services)	1,745,984	-	1,745,984
Installation and maintenance fee of ELV and IT systems (including installation fee of HK\$60,925,000)	-	127,966	127,966
	-----	-----	-----
Revenue from contracts with customers	<u>1,745,984</u>	<u>127,966</u>	<u>1,873,950</u>

For the year ended 30 June 2020

	Data centre and IT facilities <i>HK\$'000</i>	ELV and IT systems <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of services recognised over time			
Income from data centre and IT facilities (including income of HK\$407,316,000 from other value-added services)	1,533,898	-	1,533,898
Installation and maintenance fee of ELV and IT systems (including installation fee of HK\$108,149,000)	-	179,946	179,946
	-----	-----	-----
Revenue from contracts with customers	<u>1,533,898</u>	<u>179,946</u>	<u>1,713,844</u>

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2021 and the expecting timing of recognising revenue are as follows:

- (i) The aggregate amount of installation services is HK\$246,317,000 (2020: HK\$117,816,000) of which HK\$65,839,000 (2020: HK\$36,487,000) is expected to be recognised as revenue within one year. HK\$180,478,000 (2020: HK\$81,329,000) 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 is HK\$3,212,635,000 (2020: HK\$3,100,348,000) of which HK\$1,035,767,000 (2020: HK\$870,787,000) is expected to be recognised as revenue within one year. HK\$2,051,208,000 (2020: HK\$1,904,356,000) and HK\$125,660,000 (2020: HK\$325,205,000) are expected to be recognised as revenue in the second to fifth year inclusive and over five years, respectively.

For the contracts from other value-added 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.

Notes to the Consolidated Financial Statements

4. SEGMENT INFORMATION

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

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

- (a) Data centre and IT facilities cover the provision of data centre, facilities management and value added services.
- (b) ELV and IT systems comprise installation and maintenance services for the respective systems.

An operating segment regarding the properties holding was discontinued upon the disposal of subsidiaries during the year ended 30 June 2020. The segment information reported as below does not include any amounts for these discontinued operations.

Notes to the Consolidated Financial Statements

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 2021

Continuing operations

	Data centre and IT facilities <i>HK\$'000</i>	ELV and IT systems <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
REVENUE				
External	1,745,984	127,966	-	1,873,950
Inter-segment	-	190	(190)	-
Total	<u>1,745,984</u>	<u>128,156</u>	<u>(190)</u>	<u>1,873,950</u>
RESULTS				
Segment results	<u>986,417</u>	<u>34,664</u>	<u>-</u>	<u>1,021,081</u>
Unallocated corporate expenses				(60,751)
Interest income				891
Finance costs				(22,316)
Profit before taxation from continuing operations				<u>938,905</u>

For the year ended 30 June 2020

Continuing operations

	Data centre and IT facilities <i>HK\$'000</i>	ELV and IT systems <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
REVENUE				
External	1,533,898	179,946	-	1,713,844
Inter-segment	-	284	(284)	-
Total	<u>1,533,898</u>	<u>180,230</u>	<u>(284)</u>	<u>1,713,844</u>
RESULTS				
Segment results	<u>862,113</u>	<u>40,474</u>	<u>-</u>	<u>902,587</u>
Unallocated corporate expenses				(46,560)
Interest income				6,632
Finance costs				(36,106)
Investment income				142
Profit before taxation from continuing operations				<u>826,695</u>

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.

Notes to the Consolidated Financial Statements

4. SEGMENT INFORMATION (continued)

Other segment information

For the year ended 30 June 2021

Continuing operations

	Data centre and IT facilities	ELV and IT systems	Unallocated	Consolidated total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amount included in the measure of segment results:				
Depreciation of property, plant and equipment	398,245	1,660	-	399,905
Addition to property, plant and equipment	1,671,492	3,632	-	1,675,124
Loss on disposal of property, plant and equipment	27	1	-	28
Provision for allowance for credit losses, net of reversal	1,663	-	-	1,663
	=====	=====	=====	=====

For the year ended 30 June 2020

Continuing operations

	Data centre and IT facilities	ELV and IT systems	Unallocated	Consolidated total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amount included in the measure of segment results:				
Depreciation of property, plant and equipment	328,578	1,579	-	330,157
Addition to property, plant and equipment	1,446,716	492	-	1,447,208
Loss on disposal of property, plant and equipment	50	-	-	50
Provision for allowance for credit losses, net of reversal	621	-	-	621
	=====	=====	=====	=====

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 2021, the largest two customers, which come from the segment of Data centre and IT facilities, accounted for about 15% and 10% (2020: both less than 10%) of the total revenue, respectively. For the year ended 30 June 2020, the largest customer, which comes from the segments of Data centre and IT facilities and ELV and IT systems, accounted for about 10% of the total revenue.

5. OTHER INCOME

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Interest income	891	6,632
Investment income	-	142
Miscellaneous	4,118	5,499
	-----	-----
	5,009	12,273
	=====	=====

Notes to the Consolidated Financial Statements

6. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Continuing operations		
Current tax		
- Hong Kong Profits Tax	110,072	102,299
- Overprovision in prior years	(100)	(160)
	<u>109,972</u>	<u>102,139</u>
Deferred tax charge	41,206	30,233
	<u>151,178</u>	<u>132,372</u>

Hong Kong Profits Tax is calculated at 16.5% (2020: 16.5%) on the estimated assessable profits for the year.

7. PROFIT FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year from continuing operations has been arrived at after charging (crediting):		
Staff costs including directors' emoluments	224,328	184,973
Retirement benefit scheme contributions	6,959	5,538
Total staff costs	<u>231,287</u>	<u>190,511</u>
Auditor's remuneration	1,345	1,248
Depreciation of property, plant and equipment	399,905	330,157
Loss on disposal of property, plant and equipment	28	50
Interest on bank borrowings	59,793	119,273
Interest on shareholder's loan	101,803	132,362
Interest on lease liabilities	130	1,720
Other finance costs	17,280	17,789
Less: amounts capitalised	<u>(156,690)</u>	<u>(235,038)</u>
Total finance costs	<u>22,316</u>	<u>36,106</u>

For the year ended 30 June 2021, Covid-19 related government grants amounted to HK\$13,993,000 (2020: HK\$2,799,000) have been offset against staff costs.

Notes to the Consolidated Financial Statements

8. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividend paid and recognised as distribution during the year		
- Final dividend to ordinary shareholders in respect of the immediately preceding financial year of HK17.50 cents (2020: HK16.50 cents) per share	408,549	384,210
- Payments to convertible noteholders in respect of the immediately preceding financial year of HK17.50 cents (2020: HK16.50 cents) for each share which such registered noteholders would have become holders of, had such registered noteholders' Convertible Notes then outstanding been converted on 5 November 2020 (2020: 5 November 2019)	301,003	283,803
	709,552	668,013
Dividend proposed		
- Final dividend to ordinary shareholders in respect of the current financial year of HK19.40 cents (2020: HK17.50 cents) per share	453,508	407,609
- Payments to convertible noteholders in respect of the current financial year of HK19.40 cents (2020: HK17.50 cents) for each share which such registered noteholders would have become holders of, had such registered noteholders' Convertible Notes then outstanding been converted on 4 November 2021 (2020: 5 November 2020)	333,683	301,003
	787,191	708,612

At a meeting held on 2 September 2021, the directors recommend the declaration of a final dividend of HK19.40 cents per share for the year ended 30 June 2021. This proposed dividend is not included as a dividend payable in the consolidated statement of financial position as at 30 June 2021.

Notes to the Consolidated Financial Statements

9. EARNINGS PER SHARE

(a) Reported earnings per share

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings for the purposes of basic and diluted earnings per share	<u>787,727</u>	<u>783,249</u>
	2021 Number of shares	2020 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,054,213,115	4,048,265,163
Effect of dilutive potential ordinary shares: Share options	<u>5,483,275</u>	<u>4,222,755</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>4,059,696,390</u>	<u>4,052,487,918</u>

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 certain Company's share options because the exercise price of those share options was higher than the average market price for shares for the years ended 30 June 2021 and 2020. Save as the share options mentioned above, there were no other dilutive potential ordinary shares in existence during the years ended 30 June 2021 and 2020.

(b) Underlying earnings per share

For the purposes 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 from continuing and discontinued operations of HK\$787,727,000 (2020: HK\$708,997,000), which excluded the after tax effect of increase in fair value of investment properties (included in profits from discontinued operations). A reconciliation of profit is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit attributable to owners of the Company as shown in the consolidated statement of profit or loss	787,727	783,249
Less: increase in fair value of investment properties	-	(74,252)
Underlying profit attributable to owners of the Company	<u>787,727</u>	<u>708,997</u>

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

Notes to the Consolidated Financial Statements

9. EARNINGS PER SHARE (continued)

(c) Earnings per share from continuing operations

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit attributable to owners of the Company as shown in the consolidated statement of profit or loss	787,727	783,249
Less: profit from discontinued operations	-	(88,926)
	-----	-----
Earnings for the purpose of basic and diluted earnings per share from continuing operations	<u>787,727</u>	<u>694,323</u>

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

(d) Earnings per share from discontinued operations

Basic and diluted earnings per share for the discontinued operations for the year ended 30 June 2020 were both HK2.20 cents per share, based on the profit for the year from discontinued operations of HK\$88,926,000 and the denominators detailed above for both basic and diluted reported earnings per share.

10. TRADE AND OTHER RECEIVABLES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 - 60 days	146,741	129,942
61 - 90 days	7,025	5,397
> 90 days	23,526	15,596
	-----	-----
	177,292	150,935
Unbilled revenue for use of data centre and IT facilities	71,265	71,635
Other receivables	52,989	45,160
Prepayments	54,401	58,649
Deposits paid	6,635	2,748
	-----	-----
	<u>362,582</u>	<u>329,127</u>

Notes to the Consolidated Financial Statements

11. TRADE AND OTHER PAYABLES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables aged within 60 days	23,817	49,709
Trade payables aged over 60 days	481	2,395
Other payables and accruals	758,804	1,050,375
Deposits received	143,431	155,553
	<u>926,533</u>	<u>1,258,032</u>

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\$7,261,690,000 (2020: HK\$5,816,494,000). 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 raised unsecured bank loan of HK\$1,430,000,000 (2020: HK\$3,270,000,000) from its existing unutilised banking facilities and did not repay any bank loans.

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 1.02% (2020: 2.53%) per annum and specific borrowings to expenditure on qualifying assets.

The carrying amounts of the above borrowings are repayable*

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within one year	-	-
Within a period of more than one year but less than two years	4,287,940	-
Within a period of more than two years but less than five years	2,973,750	5,816,494
	<u>7,261,690</u>	<u>5,816,494</u>

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

Notes to the Consolidated Financial Statements

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\$3,300,000,000 (2020: HK\$3,300,000,000) 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 <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 July 2019, 30 June 2020 and 30 June 2021	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 July 2019	2,326,582,833	232,658
Conversion of Convertible Notes (Note (i))	500	-*
Exercise of share options (Note (ii))	2,610,000	261
At 30 June 2020	2,329,193,333	232,919
Exercise of share options (Note (ii))	8,476,000	848
At 30 June 2021	2,337,669,333	233,767

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 2021 and 2020.

* Less than HK\$1,000

Notes to the Consolidated Financial Statements

14. SHARE CAPITAL (continued)

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 year ended 30 June 2021, no Convertible Notes (2020: in the amount of HK\$50.00) were exercised and converted into ordinary shares (2020: 500 ordinary shares) of the Company.

	Number of fully paid ordinary shares to be issued (issued) upon conversion	Amount HK\$'000
At 1 July 2019	1,720,016,833	172,002
Conversion of Convertible Notes	(500)	*
At 30 June 2020 and 2021	<u><u>1,720,016,333</u></u>	<u><u>172,002</u></u>

* Less than HK\$1,000

Upon conversion of all the outstanding Convertible Notes, the issued share capital of the Company would be 4,057,685,666 (2020: 4,049,209,666) fully paid ordinary shares of HK\$0.1 each.

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

- (ii) During the year ended 30 June 2021, 8,476,000 (2020: 2,610,000) shares were issued upon the exercise of share options.

DIVIDEND

The board of Directors (the “Board”) recommended the payment of a final dividend of HK19.40 cents per share (2020: HK17.50 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, 4 November 2021, making a total dividend of HK19.40 cents per share for the full year ended 30 June 2021 (2020: HK17.50 cents per share). The proposed final dividend will be paid on Thursday, 25 November 2021 following the approval at the forthcoming annual general meeting of the Company (the “2021 AGM”). Shares of the Company (the “Shares”) will be traded ex-dividend as from Tuesday, 2 November 2021.

In addition, subject to the resolution for declaring the aforesaid final dividend being duly passed at the 2021 AGM, pursuant to the deed poll constituting the convertible notes dated 25 November 2010 (the “Convertible Notes”), the Company will, on Thursday, 25 November 2021, pay to the noteholders of the Company (the “Noteholders”) whose names appear on the register of Noteholders (the “Register of Noteholders”) on Thursday, 4 November 2021, HK19.40 cents for each share which such Noteholders would have become holders of, had such Noteholders’ Convertible Notes then outstanding been converted on Thursday, 4 November 2021.

ANNUAL GENERAL MEETING

The 2021 AGM will be held on Friday, 29 October 2021 and the notice of the 2021 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 2021 AGM, the Register of Members will be closed from Tuesday, 26 October 2021 to Friday, 29 October 2021, 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 Monday, 25 October 2021; and
- (ii) In the case of the Convertible Notes, in order to be entitled to attend and vote at the 2021 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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for conversion into Shares not later than 4:30 p.m. on Wednesday, 8 September 2021.

In addition, the Register of Members will be closed on Thursday, 4 November 2021. On the assumption that the resolution for declaring the final dividend is duly passed at the 2021 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, 3 November 2021; 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, 4 November 2021.

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

During the year ended 30 June 2021, 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 2021 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

Throughout the year ended 30 June 2021, the Group 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 except that the Chairman of the Board was unable to attend the annual general meeting of the Company held on 30 October 2020 due to other commitment.

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

Hong Kong, 2 September 2021

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