



sunvision

The new technology arm of Sun Hung Kai Properties

quarterly
report

period ended 31st March 2000

截至二零零零年三月三十一日止季度業績報告

Sunvision
Holdings
Limited

新壹網集團有限公司



Sunevision Holdings Limited
新意網集團有限公司^{*}
(Incorporated in the Cayman Islands with limited liability)
(在開曼群島註冊成立的有限公司)

GROUP QUARTERLY RESULTS
FOR PERIOD ENDED 31ST MARCH 2000

本集團截至2000年3月31日止期間季度業績

^{*} For identification purpose only
僅供識別

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

The principal means of information dissemination on GEM is publication on the Internet web site operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM web site in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

The Directors collectively and individually accept full responsibility for this announcement which is given in compliance with the requirements (Rules Governing the Listing of Securities on the Growth Enterprise Market) of the Stock Exchange. The Directors confirm, having made all reasonable enquires, that to the best of their knowledge and belief, (i) the information contained in the announcement are accurate and complete in all material aspects and not misleading; (ii) there are no other facts the omission of which would make any statement herein misleading; and (iii) opinions expressed in this announcement have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的特色：

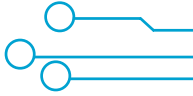
創業板為帶有高投資風險的公司提供一個上市的市場。尤其在創業板上市的公司無須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市的公司可因其新興性質及該等公司經營業務的行業或國家而帶有風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富的資深投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

創業板發佈資料的主要方法為在聯交所為創業板而設的互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈發佈資料。因此，有意投資的人士應注意彼等能閱覽創業板網頁，以便取得創業板上發行的最新資料。

聯交所對本公佈的內容概不負責，對其準確性或完整性亦不發表任何聲明，且表明不會就本公佈全部或任何部份內容或倚賴該等內容而引致的任何損失承擔任何責任。

董事願共同及個別對本公佈負全責：本公佈乃遵照聯交所《創業板證券上市規則》的規定而作出。各董事經作出一切合理查詢後，確認彼等所知及所信，(i)本公佈所載資料在各重大方面均屬準確及完整，且並無誤導成分；(ii)並供遺漏任何事實致使本公佈所載任何聲明產生誤導；及(iii)本公佈表達的一切意見乃經審慎周詳考慮後始作出，並以公平合理的基準和假設為依據。



QUARTERLY RESULTS HIGHLIGHTS

- Turnover increased by HK\$3,940,000 representing an approximately 36% growth relative to the corresponding 3-month period in 1999.
- Achieved a net profit of HK\$8,755,000 for the 3-month period ended 31st March 2000.
- Successful entry to GEM as a publicly listed company.
- The Company is continuing its efforts to cover the full Internet value chain.

The unaudited consolidated profit of Sunevision Holdings Limited (the "Company" or "SUNeVision") and its subsidiaries (the "Group") for the three months ended 31st March 2000 (the "Quarterly Period") was approximately HK\$8,755,000, representing an improvement of approximately HK\$10,834,000 in profit as compared to the unaudited consolidated loss of the Group of approximately HK\$2,079,000 for the corresponding Quarterly Period in 1999. Unaudited consolidated turnover of the Group for the Quarterly Period was about HK\$14,792,000, representing a growth of about 36% over the unaudited consolidated turnover of the Group of HK\$10,852,000 for the corresponding Quarterly Period in 1999.

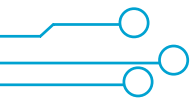
The unaudited gross profit margin of the Group was approximately 16% for the Quarterly Period which was about 9% lower than the unaudited gross profit margin of the Group of approximately 25% for the corresponding Quarterly Period in 1999. The unaudited diluted earnings per share was about 0.5 cents for the Quarterly Period.

During the Quarterly Period, the Group experienced higher turnover primarily as a result of new revenue streams generated by new business of the Group.

Other income mainly consists of interest on the application money the Group received from the public offering of shares (the "Share Offer") and interest from deposits placed with the proceeds from the Share Offer.

Various promotional campaigns, marketing programs and the launch of the Group's new businesses led to higher selling expenses. As the Group successfully recruited talent from the industry locally and overseas, as well as expanding and developing its businesses, it incurred higher staff costs and professional consultancy fees.

The Group's interest expenses have reduced substantially after completion of the Group Reorganisation on 29th February 2000, as interest previously payable to Sun Hung Kai Properties Limited ("SHKP") on outstanding loans no longer applies.



BUSINESS REVIEW

SUNeVision was listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 17th March 2000. The Company's unaudited consolidated turnover for the 3-month period ended 31st March 2000 was HK\$14,792,000 and unaudited consolidated profit after tax was HK\$8,755,000. Diluted earnings per share was 0.5 cents. Below is a summary of the activities of the Company's subsidiary businesses up to 31st March 2000 and projected activities until June 2000:

IT INFRASTRUCTURE

iAdvantage Limited

During the period up to 31st March 2000, iAdvantage has leased 80% of its rack space in One iAdvantage in Millennium City. Its customer base grew more than three times, and the rack space leased grew six times.

iAdvantage's customer base continues to grow with new additions such as UNI-Tech, SINA.COM (Hong Kong) Limited, the Securities & Futures Commission and Finet Online, while the Jumbo-iAdvantage Service Centre will open in Tsuen Wan in May 2000. iAdvantage signed an agreement with a mainland partner in April 2000, to expand its server co-location network. The operations in Sun Dong An Plaza in Beijing and Central Plaza in Shanghai will commence in June.

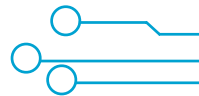
iAdvantage signed a number of significant agreements including one for the development of an Internet hotel in Mega iAdvantage with iAsiaWorks. In April, iAdvantage formed a Joint Venture with Wing Tai Holdings Limited, for the development of an Internet Service Centre and Carrier Hotel in Singapore and also took part in a share swap with Canadian-based 360Networks Inc. as part of an agreement to facilitate bandwidth supply and network expansion in the Asia Pacific region.

To promote the business, iAdvantage joined the marketing event in the Information Infrastructure Exhibition organized by the Hong Kong Trade Development Council, and also conducted a successful US marketing tour aimed at potential partners and clients. A marketing programme on service bundling with Hewlett Packard and Microsoft was also launched in March.

Sun Technology Services Limited

In the period up to 31st March 2000, Sun Technology continued broadband enabling its SMATV network. There were seven projects completed, containing approximately 6,500 units, and the conversions to broadband capability will continue at a fast pace. Sun Technology is also in talks with prospective pay TV service providers on supplying pay TV through its SMATV network.

In the months up to the coming June, extension of the SMATV network will continue, targeting 32 developments containing over 82,000 units.



iHON Limited

iHON is an infrastructure service provider which is currently installing fibre optic networks at Royal Peninsula in Hung Hom and Ocean Shores in Tseung Kwan O. Work on these projects is progressing smoothly.

By retaining ownership of the networks, iHON expects to generate revenue from interconnection fees for providing broadband services, including telephone, Internet and video, to communities linked to the network.

INTERNET SERVICES

Super-Office Limited

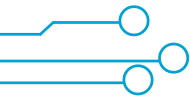
Super-Office will offer a tailored range of office services and business solutions in association with its partners, to provide specific Internet-related services to small and medium sized enterprises. During the period up to 31st March 2000, Super-Office continued to recruit new personnel.

It is building a team of 50 key professionals in the application service provider and business-to-business ("B2B") fields, who will be fully in place by June 2000 to enable SUNeVision to achieve its goal of becoming a dominant player in the Asia-Pacific e-marketplace. Super-Office concluded a licensing arrangement with Microsoft on a joint project named "Digital Dashboard", and it aims to finish testing and refining its pilot installations at World Trade Centre, APEC Plaza and Landmark North in preparation for the general release of the service. Super-Office will also continue to develop e-commerce opportunities. For example, it recently signed an agreement with the Hong Kong Plastics Technology Centre to build a plastics industry "e-Marketplace" with the backing of 24 strategic partners and pioneer customers.

SuperHome.net (HK) Limited

SuperHome.net is a unique Internet service system designed to create customized e-communities by offering three inter-related layers of content essential to support consumers daily needs: (1) market-wide information and services covering both international and national content; (2) locale-specific information and services targeted at residents of specific districts (e.g. Tseung Kwan O, Shatin); and (3) estate-specific information and services targeted at residents living in specific multi-unit buildings/estates. During the period up to 31st March 2000, a pilot version of the portal was successfully tested and completed in East Point City.

Since 27th April, SuperHome.net was successfully launched and has become available to 75,000 plus households in Tseung Kwan O. SuperHome.net's coverage will continue to expand, first to Tsuen Wan and the Castle Peak Road area and then growing by districts to encompass the entire territory. The content is also being enhanced and negotiations will continue with a number of industry leading content partners, and negotiations will continue with other content providers to make the portal the most comprehensive and attractive of its kind.



SuperStreets Limited

Propertystreet.net went on-line in February 2000, and now has over 35 participating agents, up from the original five, providing property listings and a wide range of property-related information and services. As of 31st March 2000, Propertystreet.net had over 50,000 registered users and recorded between 100,000 and 140,000 pageviews per day. Propertystreet.net also undertook a successful advertising campaign to build the Propertystreet.net brand, which included an award-winning TV commercial and established easily recognizable and endearing characters as ambassadors for the brand.

Registered users reached over 70,000 by mid April 2000. In the near future, Propertystreet.net will continue to expand its content, adding new sections and features such as serviced apartments, international property listings, legal advice, tips on maintenance and decoration and owner self-listing. Propertystreet.net will also move to embrace e-commerce opportunities.

SuperStreets also launched Insurancestreet.net in mid April, offering a wide range of products from 23 well-known local and international insurance companies, with on-line transaction capabilities. Bankingstreet.net is set to offer a similar service covering the banking industry shortly.

Red-Dots Limited

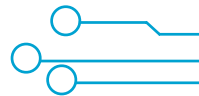
By 31st March 2000, Red-Dots had expanded its merchant network through new agreements with four additional trades covering areas like golf club memberships, toys, jewellery and art, wine and spirits, to offer users more variety. Red-Dots also expanded its space from 1,700 square feet to 5,000 square feet, and its staff grew from 15 to 30. In terms of registered members, pageviews and items listed for sale, Red-Dots was the highest-ranked Internet auction site in Hong Kong. Red-Dots also won awards from Commercial Radio for best web site promotion and for being one of the top ten web sites in the territory.

In coming months, Red-Dots plans to develop B2B e-commerce and expand into the mainland market. It will expand the categories in its site, streamline browsing and offer personalized Internet service. It will also open new customer service centres in New Town Plaza, Grand Century Place and Sun Arcade in May, to enhance customer care.

Asian tourist web

Through an agreement with the China National Tourism Administration, SUNeVision will operate an Internet portal catering to Asian tourist services and investment opportunities in mainland tourism enterprises. The portal will offer comprehensive information on mainland tourist destinations, along with on-line hotel, travel and local tour bookings. It will also allow users to search for investment opportunities with mainland tourist enterprises. The site will also serve tourists from China, with information about tours to other Asian countries, as well as on-line booking of hotel rooms and tickets.





IT INVESTMENTS

Since 31st March 2000, SUNeVision made a number of investments, the following investments are worthy of special mention:

CP BooksNet

A partnership was formed with Commercial Press E-Business Holdings Limited, in which SUNeVision holds a 25% interest. CP BooksNet will develop the world's largest on-line Chinese language bookstore, with over 250,000 titles initially. It will serve the tremendous international market for Chinese language books, estimated to be worth HK\$100 billion yearly in the Greater China region alone. CP BooksNet's new-look cyber-bookstore is expected to go on-line shortly. Behind CP BooksNet is the total support of resources, professionals, management and the best logistics control. In addition to books, CP BooksNet will offer audio-visual and multimedia products, computer software and a broad range of other products.

Commerce One

SUNeVision, along with five other conglomerates in Hong Kong and a US venture capital company, signed a letter of intent with Commerce One to set up a joint venture called Asia2B.com in April 2000, with the aims of expanding the scope of the Global Trading Web, and creating a regional B2B platform in Asia.

PROSPECTS

SUNeVision began with a bold ambition: "To be the best provider of premium-quality Internet infrastructure and services in Asia, enabling businesses and individuals to thrive in the information age", and to date, the Company is well on its way to fulfilling this mission. Through its Initial Public Offering, the Company raised HK\$3.58 billion for business expansion, and it continues to grow rapidly in Hong Kong and mainland China. By focusing on the hardware Internet businesses need, the software and portals necessary to build e-commerce and getting in on the ground floor of new technology developments, SUNeVision has covered the full Internet value chain.

The Internet and related technology is a new and highly-competitive field, but with its proven strengths such as management experience and the full backing of its major shareholder, SHKP, the Company will leverage its comparative advantages and expertise with the strategic alliances and more than ten years China experience of its parent to establish a high-quality brand name in Hong Kong, China and Asia. SUNeVision is optimistic about its overall future prospects.

Kwok Ping Luen, Raymond
Chairman & Chief Executive Officer

Hui Ho Ming, Herbert
Managing Director

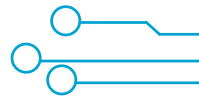
Hong Kong, 8th May 2000

QUARTERLY RESULTS FOR THE PERIOD ENDED 31ST MARCH 2000

(UNAUDITED)

The Board of Directors (the "Board") of Sunevision Holdings Limited (the "Company" or "SUNeVision") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the three months and nine months ended 31st March 2000 together with the comparative unaudited figures for the corresponding periods in 1999 as follows:

	Notes	Three months ended 31st March		Nine months ended 31st March	
		2000	1999	2000	1999
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	14,792	10,852	46,345	34,385
Cost of sales		(12,394)	(8,132)	(38,520)	(25,882)
Gross profit		2,398	2,720	7,825	8,503
Other income		59,950	3,869	66,421	18,014
		62,348	6,589	74,246	26,517
Research & development expenses		460	—	5,483	—
Selling expenses		26,746	280	33,298	813
Administrative expenses		23,911	2,774	32,088	8,173
Finance charges		1,939	5,424	8,915	16,272
Profit/(Loss) before taxation		9,292	(1,889)	(5,538)	1,259
Taxation	3	(537)	(190)	(1,808)	(652)
Profit/(Loss) after taxation		8,755	(2,079)	(7,346)	607
Earnings/(Loss) per share	4				
— Basic		0.5 cents	(0.1 cents)	(0.4 cents)	—
— Diluted		0.5 cents	N/A	N/A	N/A



Notes:

1. Group reorganization and the basis of preparation

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 25th January 2000. In preparation for the listing of the Company's shares on GEM, the group reorganization was effected whereby SUNeVision became the holding company of the Group. The shares of the Company were listed on GEM on 17th March 2000.

The consolidated results have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants.

The financial statements of the Group have been prepared on a merger basis as if the Company had always been the holding company of the respective subsidiaries now comprising the Group. In the opinion of the Board, the accounts prepared on the above basis present fairly the consolidated result of the Group as a whole.

2. Turnover

Turnover represents the aggregate of installation and maintenance fees of satellite/security systems, income from customer use of server co-location center and Internet facilities, advertising revenue, rental and management income, after elimination of inter-group transactions.

3. Taxation

Hong Kong profits tax has been provided at the rate of 16% (three months and nine months ended 31st March 1999: 16%) on the estimated assessable profits for the periods.

4. Earnings per share

The calculation of the Group's basic earnings per share for the three months and nine months ended 31st March 2000 is based on the Group's profit/(loss) attributable to shareholders of approximately HK\$8,755,000 and (HK\$ 7,346,000) (three months and nine months ended 31st March 1999: approximately (HK\$2,079,000) and HK\$607,000) and the weighted average number of approximately 1,748,387,000 shares and 1,716,129,000 shares (three months and nine months ended 31st March 1999: approximately 1,700,000,000 shares) respectively in issue during the respective periods. In determining the weighted average number of shares, 1,700,000,000 shares issued on the establishment of the Company and reorganization of the Group were deemed to have been issued since 1st July 1998.

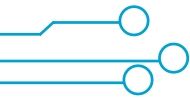
The diluted earnings per share are the same as the basic earnings per share for the three months ended 31st March 2000.

The calculation of the Group's diluted earnings per share for the three months ended 31st March 2000 does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in an increase in net profit per share.

As the effect of all potential ordinary shares outstanding is anti-dilutive for the nine months ended 31st March 2000 and there were no potential ordinary shares outstanding during the three months and nine months ended 31st March 1999, no dilutive earnings/(loss) per share is presented.

5. Dividend

The Board do not recommend the payment of an interim dividend for the nine months ended 31st March 2000.



SPONSOR'S INTERESTS

The interests of the Company's sponsor, Jardine Fleming Securities Limited ("Jardine Fleming") in the share capital of the Company as at 31st March 2000 and 2nd May 2000 respectively is summarized below:

	As at 31st March 2000	As at 2nd May 2000
Jardine Fleming's employees (excluding directors)	3,007	3,007
Jardine Fleming's directors	2,500	2,500
Jardine Fleming and its associates (excluding directors and employees)	<u>10,453,843</u>	<u>65,671</u>
Total	<u>10,459,350</u>	<u>71,178</u>

Pursuant to the agreement dated 3rd March 2000 entered into between SUNeVision and Jardine Fleming, Jardine Fleming will receive a fee for acting as the Company's retained sponsor for the period from 17th March 2000 to 30th June 2002.

YEAR 2000 COMPLIANCE

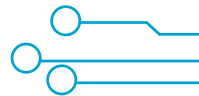
The Group has two areas related to year 2000 compliance (i) the Group's internal systems and operations, and (ii) external systems and services. The Group does not have internal legacy systems that are not year 2000 compatible. The Group has been purchasing its network support systems with specifications and warranties that all systems must be year 2000 compatible. The Group has contacted its external suppliers, vendors and providers to obtain information about their year 2000 readiness. Based on the information the Group is satisfied that these external systems (including embedded technology) are not likely to have a material adverse effect related to year 2000 compliance on its operations. As up to end April 2000, no disruption of the Group's operations have been reported.

The Board will continue to ensure the operations of the Group will not be affected by Year 2000 problem.

AUDIT COMMITTEE

The Company established an audit committee on 29th January 2000 with written terms of reference in compliance with Rules 5.23 and 5.24 of the GEM Listing Rules. The audit committee has three members comprising two independent non-executive Directors, Professor Kao Kuen Charles (Chairman) and Professor Li On Kwok, Victor and one non-executive Director, Mr. Cheung Wing Yui.





Professor Kao, known as the “Father of Fibre Optics”, was a pioneer in the field of optical fibre communications in the 1960s and was named “Asian of the Century in Science and Technology” by a leading regional news magazine.

Professor Li is the Chair Professor of Information Engineering at the University of Hong Kong. He is also a driving force in many information technology think tanks and industry bodies, both locally and internationally.

Mr. Cheung has been a practicing solicitor in Hong Kong for over 20 years and is a partner of the law firm Woo Kwan Lee & Lo. He holds a number of public positions including a committee member of the Mainland Legal Affairs Committee of the Law Society of Hong Kong.

At a meeting today, the audit committee reviewed and made recommendations for the improvement of the Group’s financial reporting process, internal controls and the Year 2000 compliance program.

LITIGATION

As disclosed in the Company’s Prospectus dated 6th March 2000, the Company and one of its subsidiaries were involved in a dispute with Sun Microsystems Inc.. In respect of the use of the tradenames “SUNeVision”, “SunEvision”, “Sunevision”, “Sun Technology” or “Sun Technologies”, the domain names “www.sunevision.com”, “www.sunevision.net”, “www.suntechnology.com.hk” and any other names or marks of the group containing “Sun”, “sun” or “SUN” as its dominant feature, otherwise than as part of the name or mark “SUN HUNG KAI”. The matter is pending trial. Counsel’s opinion is that the Company has a strong defence. The Group will inform shareholders on major development in this matter in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Quarterly Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

By order of the Board

Chan Wing Yuen, Hubert

Company Secretary and Director of Compliance

Hong Kong, 8th May 2000



DISCLOSURE OF INTERESTS

DIRECTORS' INTEREST IN SHARES

As at 31st March 2000, the interests of the Directors and their associates in the share capital of the Company and its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

1. The Company's shares

Save as disclosed below, none of the Directors or their associates had any interests in the share capital of the Company or its associated corporations (as defined in the SDI Ordinance) as at 31st March 2000.

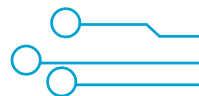
2. SHKP Shares:

Name of Director	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total no. of shares
Kwok Ping Luen, Raymond	—	1,000	—	1,072,129,895 (Note)	1,072,130,895
Kwok Ping Sheung, Walter	—	3,000	—	1,070,936,522 (Note)	1,070,939,522
Kwong Ping Kwong, Thomas	2,201,281	304,065	—	1,068,986,214 (Note)	1,071,491,560
Hui Ho Ming, Herbert	24,000	—	—	—	24,000
Chan Kui Yuen, Thomas	126,500	66,000	—	—	192,500
Wong Yick Kam, Michael	50,904	—	—	—	50,904
Leung Kui King, Donald	10,000	—	—	—	10,000
So Chung Keung, Alfred	189,985	—	—	—	189,985
Tung Chi Ho	—	—	—	—	—
Wong Chin Wah	—	—	—	—	—
Tung Yiu Kwan, Stephen	—	—	—	—	—
Cheung Wing Yui	—	—	—	—	—
Kao Kuen, Charles	—	—	—	—	—
Li On Kwok, Victor	—	—	—	—	—

Note: Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond were deemed (by virtue of the SDI Ordinance) to be interested in the number of SHKP shares shown opposite their names respectively. Of these numbers of SHKP shares, 1,048,952,347 SHKP shares represent the same interests and are therefore duplicated amongst these three directors.

3. Each of Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond had the following interests in the equity securities of the following associated corporations:—

Associated Corporation	No. & Class of Securities	Category of Interest
Superindo Company Limited	10 Ordinary Shares	Personal
Super Fly Company Limited	10 Ordinary Shares	Personal
Splendid Kai Limited	2,500 Ordinary Shares	Corporate (Note)
Hung Carom Company Limited	25 Ordinary Shares	Corporate (Note)
Tinyau Company Limited	1 Ordinary Share	Corporate (Note)
Open Step Limited	8 Ordinary Shares	Corporate (Note)



Note: These securities are held by companies in which Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond are entitled to control the exercise of one third or more of the voting power at their general meetings and therefore they were deemed (by virtue of the SDI Ordinance) to be interested in these securities.

4. Messrs. Kwok Ping Sheung, Walter and Kwok Ping Luen, Raymond had personal interests of 61,522 ordinary shares and 393,350 ordinary shares respectively in the equity security of The Kowloon Motor Bus Holdings Limited
5. Mr. Kwok Ping Luen, Raymond had personal interests of 690,000 ordinary shares in equity of SmarTone Telecommunications Holdings Limited.
6. Mr. Li On Kwok, Victor had family interests of 5,000 ordinary shares in equity of SmarTone Telecommunications Holdings Limited.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

During the period, certain Directors have been granted options in respect of shares of the Company under the share option scheme of the Company (the "Scheme"). The options granted under the Scheme are issued as follows:—

Name	Date of grant and accept	Price HKD	No. of Shares	Option exercised during the year	Balance outstanding at 31/3/2000
Kwok Ping Luen, Raymond	28/3/2000	HK\$10.38	755,000	N/A	755,000
Kwok Ping Sheung, Walter	28/3/2000	HK\$10.38	415,000	N/A	415,000
Kwok Ping Kwong, Thomas	28/3/2000	HK\$10.38	415,000	N/A	415,000
Hui Ho Ming, Herbert	28/3/2000	HK\$10.38	720,000	N/A	720,000
Chan Kui Yuen, Thomas	28/3/2000	HK\$10.38	510,000	N/A	510,000
Wong Yick Kam, Michael	28/3/2000	HK\$10.38	360,000	N/A	360,000
Leung Kui King, Donald	28/3/2000	HK\$10.38	360,000	N/A	360,000
So Chung Keung, Alfred	28/3/2000	HK\$10.38	360,000	N/A	360,000
Tung Chi Ho	28/3/2000	HK\$10.38	360,000	N/A	360,000
Wong Chin Wah	28/3/2000	HK\$10.38	360,000	N/A	360,000
Tung Yiu Kwan, Stephen	28/3/2000	HK\$10.38	360,000	N/A	360,000

Note: The abovementioned options may be exercised in accordance with the terms of the Scheme of the Company as to

- (i) one third of the options within three years commencing on 31st December 2000;
- (ii) a further one third of the options within three years commencing on 31st December 2001; and
- (iii) the remaining one third of the options within three years commencing on 31st December 2002.

SUBSTANTIAL SHAREHOLDERS

As at 31 March, 2000, in addition to those interests as disclosed above in respect of the Directors, according to the register of substantial shareholders required to be maintained under Section 16(1) of the SDI Ordinance, the Company had been notified of the following interests, being 10% or more in the issued share capital of the Company:

Name	Number of Shares	Approximate percentage of holding
Sunco Resources Limited ("Sunco")	1,700,000,000	85
SHKP (Note 1)	1,700,000,000	85
HSBC Holdings plc (Note 2)	1,700,000,000	85
HSBC Finance (Netherlands) (Note 2)	1,700,000,000	85
HSBC Holdings B.V. (Note 2)	1,700,000,000	85
HSBC Investment Bank Holdings B.V. (Note 2)	1,700,000,000	85
HSBC International Trustee Limited (Note 2)	1,700,000,000	85

Note:

- (1) As Sunco is a wholly-owned subsidiary of SHKP, SHKP will have deemed interest in the 1,700,000,000 shares of the Company held by Sunco under the SDI Ordinance.
- (2) Such interests in the shares of the Company are duplicated with those of SHKP as disclosed herein as they are taken to be interested in these Shares by virtue of their interest in SHKP shares. As at the Latest Practicable Date for the purpose of the SDI Ordinance, HSBC Holdings plc was interested in 1,115,632,780 SHKP shares of which 1,114,414,980 SHKP shares were the same SHKP shares in which HSBC Finance (Netherlands) was taken as interested. HSBC Holdings B.V. was interested in the same SHKP shares in which HSBC Finance (Netherlands) was interested. Of the 1,114,414,980 SHKP shares in which HSBC Holdings B.V. was interested, HSBC Investment Bank Holdings B.V. was taken as interested in 1,091,642,257 SHKP shares. HSBC International Trustee Limited was interested in 1,065,463,639 SHKP shares which formed part of the SHKP shares in which HSBC Investment Bank Holdings B.V. was interested. Messrs. Kwok Ping Luen, Raymond, Kwok Ping Sheung, Walter and Kwok Ping Kwong, Thomas were deemed by virtue of the SDI Ordinance to be interested in the same 1,048,952,347 SHKP shares in which HSBC International Trustee Limited was interested.

MANAGEMENT SHAREHOLDERS

So far as the Directors are aware, there are no other persons other than Sunco and SHKP as disclosed above who will be directly or indirectly interested in five per cent or more of the shares then in issue and who are able, as a practical matter, to director or influence the management of the Company.