



Third Quarterly Report

SUNeVision Holdings Limited

For the nine months ended 31 March 2002

新意網集團有限公司

截至二零零二年三月三十一日止九個月

第三季度業績報告



The technology arm of Sun Hung Kai Properties



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.

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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 enquiries, 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.

Highlights

- SUNeVision reached profitability some six months ahead of schedule by consolidating unprofitable businesses, reducing costs and operating inefficiencies. The Group made a prudent provision against losses in its venture capital investment portfolio in the previous quarter.
- Significant improvement in gross margin from 13% to 21% and substantial reduction in operating expenditures from HK\$30.8 million to HK\$22.8 million show the effectiveness of cost-cutting measures.
- The Group's financial position remains strong with approximately HK\$1.8 billion in cash and interest-bearing securities.
- Actively investigating new opportunities in the data infrastructure business for sustainable profitability.

	Current Quarter (Jan to Mar 2002)	Previous Quarter (Oct to Dec 2001)
	HK\$'M	HK\$'M
Turnover	57.6	55.8
Gross profit	12.0	7.0
— as a % of turnover	21%	13%
Operating expenditures*	(22.8)	(30.8)
— as a % of turnover	-40%	-55%
Other income	23.3	23.4
Profit/(Loss) from operations	12.5	(0.4)

* Research & development, selling, general and administrative expenses

Chairman's Statement

I am pleased to announce SUNeVision's results for the third quarter of the 2001/2002 financial year. When we reported our last interim results, we made a commitment to strive for profitability in the early part of the next financial year, and I am pleased to report that we have reached profitability some six months ahead of schedule. We achieved this outcome by quickly consolidating unprofitable businesses and reducing costs and operating inefficiencies. These actions were completed in the first half of the 2001/2002 financial year.

For the period ended 31 March 2002, quarter-on-quarter turnover increased by 3% to HK\$57.6 million, and gross margin improved significantly from 13% to 21%. Operating expenditures dropped from HK\$30.8 million to HK\$22.8 million, representing a 26% improvement over the previous quarter and reflecting the speed and rigor of cost-cutting measures. The Group achieved an operating profit of HK\$12.5 million for the quarter.

Exceptional customer service has been a key to the success of iAdvantage, the Group's data infrastructure provider. iAdvantage's service excellence was recognized in the quarter under review by the Hong Kong Quality Assurance Agency, which awarded it ISO 9001:2000 certification for having achieved high standards of quality in data centre design, construction, and management. iAdvantage has attracted and retained a roster of blue-chip customers, including leading telecommunications companies, financial institutions and multinational enterprises. The accreditation confirms iAdvantage's reputation for excellence with our customers.

The Group's property-related technology businesses also performed well. Super e-Technology, a profitable leading provider of broadband connectivity, SMATV (Satellite Master Antenna Television), and security surveillance solutions, continued to show steady growth. SuperStreets, the on-line property and financial services provider, became profitable in early 2002, and SuperHome, the on-line, on-site provider of residential services, added to its service portfolio and continued to improve its financial performance.

With the latest results and strong backing from our parent company Sun Hung Kai Properties, the outlook for SUNeVision is promising. We have a well-defined business direction that aims to make SUNeVision a leading provider of data infrastructure and data-centric services. To realize this vision, business development will proceed along two fronts: growing the revenue base of existing businesses profitably, and adding new platforms and new businesses that relate to our core strengths in data infrastructure and data-centric services. As we undertake new growth initiatives, we will continue to be vigilant about operating costs and efficiencies.

The Group's financial position remains strong, as it holds approximately HK\$1.8 billion in cash and interest-bearing securities. This level of liquidity will enable the Group to repay shareholder loans of HK\$730 million, which come due shortly, and at the same time provide sufficient financial resources to support new initiatives. As the Group has already prudently made provisions against losses in its venture capital investment portfolio, barring any unforeseeable reasons, we do not anticipate that any further provisions will be necessary.

Finally, the Group continues to strengthen its management team with individuals whose talents and experience will drive future growth. This quarter, we are pleased to welcome Andrew So as an Executive Director of the Group. Mr. So has over eleven years' experience in management and technology consulting, and has worked extensively in the USA, UK, Hong Kong and elsewhere in Asia. We anticipate that his appointment will enhance the Group's competitiveness and position us well for the opportunities that lie ahead.

I would like to close by thanking the board, management team and every member of our staff for their hard work and dedication in making this a quarter to be proud of.

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer

Hong Kong, 13 May 2002

Managing Director's Report

OVERVIEW

The quarter under review was the first full quarter following the successful completion of our restructuring programme, in which we streamlined our operations to address ongoing economic uncertainty in the general business environment and the technology sector in particular. The restructuring has shown tangible results, as can be seen in our financial performance this quarter, positioning the company well for future growth.

In our last interim report, we made a commitment that the Group would reach profitability in the early part of the 2002/2003 financial year, and we have exceeded expectations by not only reaching that important milestone, but also doing so some six months ahead of target. This achievement is a direct result of improved financial control, better visibility with regard to revenue streams and closer relationships with our customers.

Turnover for the quarter ended 31 March 2002 increased by 3% over the previous quarter to HK\$57.6 million, and operating expenditures dropped substantially from HK\$30.8 million to HK\$22.8 million, largely as a result of our rigorous cost-cutting measures. The improvements in cost efficiency over the previous quarter had a direct and significant effect on our gross margin, which improved to over 20%. The Group showed an operating profit of approximately HK\$12.5 million for the quarter.

Our balance sheet remains strong, with cash reserves that enable us to take advantage of investment opportunities that fit well, operationally and technologically, with our core businesses. We continue to focus our efforts on business in the Greater China region. Having achieved profitability earlier than originally projected, we look forward to capturing the new business opportunities that exist in our sector with renewed confidence.

DATA INFRASTRUCTURE

iAdvantage

iAdvantage continued to focus on increasing take-up at its data centres and improving operational efficiency during the quarter. Despite challenging market conditions, iAdvantage succeeded in expanding its client base, with new customers exhibiting demand for both data centre space and value-added services. Recent new clients and business partners include NEC, SingTel and ET Net Services.

In March, iAdvantage was awarded ISO 9001:2000 certification in recognition of the design and construction of its facility infrastructure. This recognition further demonstrates iAdvantage's leading position as a regional data centre operator providing high-quality data infrastructure services. iAdvantage continues to look for growth opportunities in the Greater China market.

Super e-Technology

Super e-Technology remains committed to enhancing its capabilities and reputation as a leading provider of broadband connectivity, SMATV (Satellite Master Antenna Television), and security surveillance solutions. In an increasingly saturated market characterized by heavy competition, Super e-Technology continued to show steady growth. Notable among the encouraging results achieved this quarter was the signing of contracts worth approximately HK\$5 million for the supply, installation and maintenance of SMATV, security surveillance, voice and data systems.

ENABLING SERVICES

SuperHome

By the end of the period under review, SuperHome was providing comprehensive services to more than 85,000 households in Hong Kong. Capitalizing on its on-line and on-site capabilities, SuperHome gives added value to its resident members. It also offers quality services such as the popular J-channel, which allows members to purchase contemporary Japanese furniture from Senshukai, Japan's largest mail-order company, from the comfort of their homes. During the quarter under review, SuperHome staged a successful Chinese New Year sales promotion covering more than 49,000 households in 38 selected estates.

SuperStreets

Also notable this quarter was SuperStreets' move to profitability in early 2002, as it continued to perform well in all business areas. PropertyStreet's market-leading on-line mortgage referral service helped new owners of eight residential developments to apply for home mortgages, and the number of registered PropertyStreet users grew to more than 170,000 by the end of the quarter.

Red-Dots

The recent restructuring had a major positive impact on Red-Dots' financial performance, with cost-cutting measures resulting in substantial loss reduction. Under the management of SuperStreets, the focus now is on maximizing Red-Dots' potential and exploring new revenue-generating opportunities.

INVESTMENTS

In the second quarter of the 2001/2002 financial year, SUNeVision made a HK\$355.9 million provision on direct investments in technology funds and companies, to reflect the difficult business climate and continued uncertainty in global capital markets. We have chosen to take an exceptionally conservative and highly prudent valuation of our investment portfolio, and so we do not anticipate making any further investments provisions in the foreseeable future.

We are actively working with our technology funds and companies to maximize shareholder returns and, where appropriate, to accelerate liquidity events.

We will continue making investments on a selective basis, preferably in established, profitable technology companies whose products and services are synergistic with SUNeVision's core operations.

OTHER FINANCIAL INFORMATION

The Group adheres to a prudent financial management policy and has a strong balance sheet, with cash and interest-bearing securities of approximately HK\$1.8 billion as at 31 March 2002. This is more than sufficient to cover its borrowings.

The Group's principal debt is a convertible note of HK\$730 million issued in February 2000, which will mature in February 2003. In addition, certain Group subsidiaries have obtained general banking facilities of approximately HK\$33 million, of which approximately HK\$11 million were utilized as of 31 March 2002. Other than the foregoing utilized banking facilities, the Group has no material contingent liabilities.

The Group's core operations are based in Hong Kong and its assets are primarily denominated in Hong Kong or US dollars, there is no significant exposure to foreign exchange rate fluctuations. As at 31 March 2002, the Group had not pledged any of its assets.

During the period, there were no material acquisitions or disposals of subsidiaries or affiliated companies.

There have been no material changes in the composition of the Group's equity technology investment portfolio since 30 June 2001.

EMPLOYEES

As of 31 March 2002, the Group had 237 full-time employees. Payroll costs, excluding Director's emoluments, came to slightly less than HK\$17 million for the quarter. Salary and benefit levels in the Group are kept at a competitive level and employees are rewarded based on merit. Selected benefit programmes, including medical coverage and provident funds are also provided to employees. In addition, training and development courses are offered on an ongoing basis throughout the Group, to enrich the knowledge and upgrade the quality of employees.

The Group also adopted an employee share option scheme, whereby employees may be granted share options in recognition of their contributions and to retain quality employees.

YEN SHIAO HUA, SHERIDAN
Managing Director

Hong Kong, 13 May 2002

Quarterly Results

For the period ended 31 March 2002
(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 31 March 2002 together with the comparative unaudited figures for the corresponding periods in 2001 as follows:

	<i>Notes</i>
Turnover	2
Cost of sales	
Gross profit/(loss)	
Other income	
Research & development expenses	
Selling expenses	
Administrative expenses	
Profit/(Loss) from operations	
Finance charges	
Restructuring costs	3
Provision for impairment of technology investments	
Share of loss of an associate	
Profit/(Loss) before taxation	
Taxation	4
Profit/(Loss) before minority interests	
Minority interests	
Profit/(Loss) attributable to shareholders	
Earnings/(Loss) per share — Basic	5

Three months ended 31 March

2002	2001
HK\$'000	HK\$'000
57,588	54,019
(45,569)	(57,956)
12,019	(3,937)
23,323	32,415
35,342	28,478
—	1,408
2,145	14,011
20,704	47,100
12,493	(34,041)
5,418	5,785
—	—
—	—
1,212	1,973
5,863	(41,799)
(17)	—
5,846	(41,799)
119	2,508
5,965	(39,291)
0.29 cents	(1.93 cents)

Nine months ended 31 March

2002	2001
HK\$'000	HK\$'000
179,438	134,894
(149,346)	(152,855)
30,092	(17,961)
71,968	126,172
102,060	108,211
17	8,055
16,952	54,527
80,483	139,290
4,608	(93,661)
17,098	17,266
117,393	—
355,900	—
4,681	4,933
(490,464)	(115,860)
(83)	(371)
(490,547)	(116,231)
27,085	5,821
(463,462)	(110,410)
(22.85 cents)	(5.41 cents)

Notes:

1. Basis of preparation

The principal accounting policies adopted in preparing the unaudited consolidated results conform with accounting principles generally accepted in Hong Kong and accounting standards issued by the Hong Kong Society of Accountants.

2. Turnover

Turnover represents the aggregate of income from customers' use of Internet service centre, installation and maintenance fees of satellite master antenna television system, structural cabling and security systems, enabling services, property rent and management income, advertising, Internet facilities and related services, after elimination of all significant inter-company transactions between group companies.

3. Restructuring costs

As a result of the corporate restructuring during the current year, the operation of two business units were either discontinued or scaled back. Certain business units and the headquarter were also relocated to premises owned by the Group. The costs associated with these exercises comprised loss on disposal of plant and equipment, closure and termination costs, staff redundancy costs, receivable and inventory written-off.

4. Taxation

No provision for Hong Kong profits tax has been made as the Group has no assessable profit for the three months and nine months ended 31 March 2002.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

5. Earnings/(Loss) per share

The calculation of the Group's basic earnings/(loss) per share for the three months and nine months ended 31 March 2002 is based on the Group's unaudited profit/(loss) attributable to shareholders of

approximately HK\$5,965,000 and (HK\$463,462,000) (three months and nine months ended 31 March 2001: approximately (HK\$39,291,000) and (HK\$110,410,000)) and the weighted average number of 2,027,864,500 and 2,028,458,128 (three months and nine months ended 31 March 2001: 2,039,336,283 and 2,042,346,292) shares respectively in issue during the respective periods.

No diluted earnings/(loss) per share has been presented as the exercise price of the Company's outstanding share options was higher than the average market price of the shares of the Company during the periods.

The computation of diluted earnings/(loss) per share does not assume the conversion of the Company's outstanding convertible note since this would have an anti-dilutive effect on the earnings/(loss) per share for the three months and nine months ended 31 March 2002 and 2001.

6. Reserves

	Three months ended 31 March					2001
	2002					
	Property					
	Share Exchange Revaluation Accumulated					
Premium	Reserve	Reserve	Losses	Total	Total	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Beginning of the three months period	3,869,932	423	23,518	(691,171)	3,202,702	3,794,323
Repurchase of own shares	—	—	—	—	—	(10,578)
Net profit/(loss) for the period	—	—	—	5,965	5,965	(39,291)
End of the three months period	3,869,932	423	23,518	(685,206)	3,208,667	3,744,454

	Nine months ended 31 March					2001
	2002					
	Property					
	Share Exchange Revaluation Accumulated					
Premium	Reserve	Reserve	Losses	Total	Total	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Beginning of the nine months period	3,877,468	423	23,518	(221,744)	3,679,665	3,880,502
Repurchase of own shares	(7,536)	—	—	—	(7,536)	(25,638)
Net loss for the period	—	—	—	(463,462)	(463,462)	(110,410)
End of the nine months period	3,869,932	423	23,518	(685,206)	3,208,667	3,744,454

DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 March 2002 (2001: nil).

DIRECTORS' INTERESTS IN EQUITY SECURITIES

As at 31 March 2002, the interests of the directors and the chief executive in the equity securities 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 or which are required, pursuant to rules 5.40 to 5.49 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

1. Shares in SUNeVision

Name of Directors	Personal	Family	Corporate	Other Interest	Total No. of Shares
	Interest	Interest	Interest		
Kwok Ping Luen, Raymond	672,500	—	—	1,070,000*	1,742,500
Kwok Ping Sheung, Walter	—	—	—	1,070,000*	1,070,000
Kwok Ping Kwong, Thomas	—	—	—	1,070,000*	1,070,000
Wong Yick Kam, Michael	100,000	—	—	—	100,000
Yen Shiao Hua, Sheridan	50,000	—	—	—	50,000
So Chung Keung, Alfred	416	543	—	—	959

* Note: Those were deemed interests (by virtue of the SDI Ordinance) of Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong. Of those shares, 1,070,000 shares represented the same interests and were therefore duplicated amongst those three directors.

2. Shares in Sun Hung Kai Properties Limited

Name of Directors	Personal	Family	Corporate	Other Interest	Total No. of Shares
	Interest	Interest	Interest		
Kwok Ping Luen, Raymond	—	1,000	—	1,076,380,895*	1,076,381,895
Kwok Ping Sheung, Walter	—	—	—	1,075,187,522*	1,075,187,522
Kwok Ping Kwong, Thomas	1,901,281	304,065	—	1,073,237,214*	1,075,442,560
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	6,500	—	—	196,485

* *Note:* Those were deemed interests (by virtue of the SDI Ordinance) of Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong. Of those shares in Sun Hung Kai Properties Limited (“SHKP”), 1,053,203,347 shares represented the same interests and were therefore duplicated amongst those three directors.

3. Shares in associated corporations

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

Associated Corporations	No. and 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*
Hung Carom Company Limited	25 Ordinary shares	Corporate*
Tinyau Company Limited	1 Ordinary share	Corporate*
Open Step Limited	8 Ordinary shares	Corporate*

* *Note:* Those were deemed interests (by virtue of the SDI Ordinance) of Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong because those securities were held by corporations in which they were entitled to control the exercise of one third or more of the voting rights in the general meetings of those corporations.

- (b) Messrs. Raymond Kwok Ping Luen and Walter Kwok Ping Sheung had personal interests of 393,350 ordinary shares and 61,522 ordinary shares respectively in the equity securities of The Kowloon Motor Bus Holdings Limited.
- (c) Mr. Raymond Kwok Ping Luen had personal interests of 692,846 ordinary shares in the equity securities of SmarTone Telecommunications Holdings Limited.
- (d) Professor Victor Li On Kwok had family interests of 5,000 ordinary shares in the equity securities of SmarTone Telecommunications Holdings Limited.

As the Company has not issued any debt securities, therefore save as disclosed in sub-sections 1, 2 and 3 above, none of the other directors had any interests in the equity and debt securities of the Company or

any of its associated corporations as at 31 March 2002 as recorded in the register maintained under Section 29 of the SDI Ordinance or which are required, pursuant to rules 5.40 to 5.49 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

4. SUNeVision Share Options

The following directors were granted share options for nominal consideration to subscribe for shares in the Company, details of which are as follows:

Name of Directors	Number of options granted on 28.3.2000 at exercise price of HK\$10.38 per share	Number of options granted on 30.11.2000 at exercise price of HK\$3.885 per share	Number of options granted on 7.4.2001 at exercise price of HK\$2.340 per share	Balance of options as at 31.3.2002
Kwok Ping Luen, Raymond	755,000	—	350,000	1,105,000
Kwok Ping Sheung, Walter	415,000	—	180,000	595,000
Kwok Ping Kwong, Thomas	415,000	—	180,000	595,000
Yen Shiao Hua, Sheridan	—	450,000	350,000	800,000
Chan Kui Yuen, Thomas	510,000	—	180,000	690,000
Wong Yick Kam, Michael	360,000	—	180,000	540,000
Leung Kui King, Donald	360,000	—	180,000	540,000
So Chung Keung, Alfred	360,000	—	180,000	540,000
Tung Chi Ho, Eric	360,000	—	180,000	540,000
Wong Chin Wah, Jimmy	360,000	—	180,000	540,000
Tung Yiu Kwan, Stephen	360,000	—	180,000	540,000

The options at the price of HK\$10.38 per share may be exercised in accordance with the terms of the relevant scheme as to:

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

The options at the price of HK\$3.885 per share may be exercised in accordance with the terms of the relevant scheme as to:

- (i) one third of the options within three years commencing on 15 November 2001;
- (ii) a further one third of the options within three years commencing on 15 November 2002; and
- (iii) the remaining one third of the options within three years commencing on 15 November 2003.

The options at the exercise price of HK\$2.34 per share may be exercised in accordance with the terms of the relevant scheme as to:

- (i) one third of the options within three years commencing on 20 March 2002;
- (ii) a further one third of the options within three years commencing on 20 March 2003; and
- (iii) the remaining one third of the options within three years commencing on 20 March 2004.

5. Sun Hung Kai Properties Limited Share Options

Pursuant to the share option scheme of SHKP, the following directors of the Company were granted share options (“SHKP Options”) for nominal consideration to subscribe for shares (“SHKP Shares”) in SHKP, details of which are as follows:

Name of Directors	Number of SHKP Options granted on 15.2.2000 at exercise price of HK\$70.00 per share	Number of SHKP Options granted on 16.7.2001 at exercise price of HK\$70.00 per share	Balance of options as at 31.3.2002
Kwok Ping Luen, Raymond	—	75,000	75,000
Kwok Ping Sheung, Walter	—	75,000	75,000
Kwok Ping Kwong, Thomas	—	75,000	75,000
Chan Kui Yuen, Thomas	150,000	75,000	225,000
Wong Yick Kam, Michael	150,000	75,000	225,000
Leung Kui King, Donald	—	36,000	36,000
So Chung Keung, Alfred	120,000	60,000	180,000
Tung Chi Ho, Eric	120,000	60,000	180,000
Wong Chin Wah, Jimmy	—	36,000	36,000
Tung Yiu Kwan, Stephen	—	24,000	24,000

All options granted and accepted can be exercised up to one third during the second year from the date of grant, up to two thirds during the third year from the date of grant, and in whole or in part during the fourth and fifth years from the date of grant, thereafter the relevant option will expire.

6. Other Share Option Schemes

In addition to SUNeVision Share Option Scheme, the Group operates two more share option schemes which were approved for two subsidiaries of the Company, iAdvantage Limited and SUNeVision Red-Dots Limited, allowing their respective boards of directors the right to grant to their full-time employees and executive directors options to subscribe for shares in these two companies, in each case in aggregate up to 10% of the issued capital of the respective companies from time to time. While the share option scheme of SUNeVision Red-Dots Limited (which had never been granted) was expired and lapsed on 8 January 2002, no option shares for iAdvantage Limited were granted to any director of the Company during the nine months ended 31 March 2002.

Save as disclosed in sub-sections 4, 5 and 6 above, at no time during the nine months ended 31 March 2002 was the Company a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company and none of the directors or the chief executive, or their spouses or children under the age of 18, had any rights to subscribe for equity or debt securities of the Company.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2002, the interests of every person, other than a director or chief executive of the Company, being 10% or more in the equity securities of the Company as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance, were as follows:

Name	Number of Shares
Sunco Resources Limited (“Sunco”)	1,713,613,500
SHKP (<i>Note 1</i>)	1,713,613,500
HSBC Holdings plc (<i>Note 2</i>)	1,717,240,763
HSBC Finance (Netherlands) (<i>Note 2</i>)	1,717,240,756
HSBC Holdings B.V. (<i>Note 2</i>)	1,717,240,756
HSBC Investment Bank Holdings B.V. (<i>Note 2</i>)	1,716,986,343
HSBC International Trustee Limited (<i>Note 3</i>)	1,716,986,343

Notes:

1. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the SDI Ordinance.
2. The shares in which HSBC International Trustee Limited was interested formed part of the shares in which HSBC Investment Bank Holdings B.V. was interested; the shares in which HSBC Investment Bank Holdings B.V. was interested formed part of the shares in which HSBC Holdings B.V. was interested; the shares in which HSBC Holdings B.V. was interested were the shares in which HSBC Finance (Netherlands) was interested and the shares in which HSBC Finance (Netherlands) was interested formed part of the shares in which HSBC Holdings plc was interested.
3. Of the SHKP shares in which HSBC International Trustee Limited was interested, 1,053,203,347 shares were part of the shares referred to in the Note to sub-section 2 of this section on “Directors’ Interests in Securities”.

MANAGEMENT SHAREHOLDERS

So far as the directors are aware, other than Sunco and SHKP as disclosed above, there was no other person during the period who was directly or indirectly interested in 5% or more of the shares then in issue and who was able, as a practical matter, to direct or influence the management of the Company.

SPONSOR'S INTERESTS

As at 31 March 2002, directors and employees of Jardine Fleming Securities Limited (“Jardine Fleming”) were interested in 2,500 shares and 507 shares of the Company respectively. Save as disclosed herein, none of Jardine Fleming, its directors, employees or associates had any interest in the securities of the Company or any members of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any members of the Group.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Raymond Kwok Ping Luen, the Company’s Chairman and Chief Executive Officer, is also the Chairman of SmarTone Telecommunications Holdings Limited (“SmarTone”), an associated company of the Company within the meaning of the SDI Ordinance. The business of SmarTone consists of Internet services, which may be in competition with a part of the business of the Group. Likewise, both Mr. Michael Wong Yick Kam and Mr. Andrew So Sing Tak, the Company’s Executive Directors, are also non-executive Directors of SmarTone.

The independent non-executive Directors of the Company, Professor Charles Kao Kuen, Professor Victor Li On Kwok and Professor Steven Zhang Shoucheng, are well recognized leaders in the field of information technology development and have been appointed to various positions including consultants and directors to institutions and business entities which are engaged in research, development and business. These institutions and business entities may be in competition with the Group.

Save as disclosed in this section, none of the Directors nor the management shareholders of the Company have any interest in any business which may compete with the business of the Group.

AUDIT COMMITTEE

The audit committee has three members comprising two independent non-executive directors, Professor Charles Kao Kuen (Chairman) and Professor Victor Li On Kwok and one non-executive director, Mr. Cheung Wing Yui, with terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group.

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

During the nine months ended 31 March 2002, the Company repurchased on the Stock Exchange a total of 5,528,500 ordinary shares of HK\$0.1 each in the share capital of the Company at an aggregate price of HK\$8,020,453.00, details of which are as follows:

Month of Repurchase	No. of Shares Repurchased	Price per Share		Aggregate Price Paid HK\$
		Highest HK\$	Lowest HK\$	
July 2001	2,900,500	1.730	1.470	4,577,619.00
August 2001	2,092,500	1.540	1.360	2,999,732.00
September 2001	531,000	0.850	0.800	439,347.00
October 2001	4,500	0.840	0.830	3,755.00
November 2001	0	—	—	0
December 2001	0	—	—	0
January 2002	0	—	—	0
February 2002	0	—	—	0
March 2002	0	—	—	0
	<u>5,528,500</u>			<u>8,020,453.00</u>

The Directors of the Company considered that the above repurchases were made with a view to enhancing the net asset and earnings per share of the Company. Those shares were cancelled shortly after repurchase and the issued share capital of the Company was correspondingly reduced.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 March 2002.

By Order of the Board

KWOK PING LUEN, RAYMOND

Chairman & Chief Executive Officer

Hong Kong, 13 May 2002

Websites of the SUNeVision Group 新意網集團網址

SUNeVision 新意網

www.sunevision.com

iAdvantage 互聯優勢

www.iadvantage.net

Super e-Technology 新意網科技

www.superetech.com.hk

Red-Dots 點點紅

www.red-dots.com

SuperHome

www.superhome.net

SuperStreets

www.superstreets.net

PropertyStreet 地產街

www.propertystreet.net

BankingStreet 銀行街

www.bankingstreet.net

InsuranceStreet 保險街

www.insurancestreet.net

ReinsuranceMall

www.reinsurancemall.com

www.sunevision.com

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