



sun^eVISION

SUNeVision Holdings Ltd. 新意網集團有限公司

Results for the three months ended 30 September 2003 截至二零零三年九月三十日止三個月業績



First Quarterly Report 第一季度業績報告

2003/04



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 website 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 website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, 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 report.

The Directors collectively and individually accept full responsibility for this report 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 report 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 report have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

HIGHLIGHTS

- SUNeVision remained profitable as the new financial year began. The Group will continue to pursue further growth.
- Net profit of HK\$14.4 million and no one-off costs.
- Continuous operational improvements and a better business mix led to gross profit and gross margin rising by HK\$1.1 million and 4% respectively, compared to the first quarter of the last financial year.
- Operating expenditures dropped by HK\$3.9 million to HK\$14.8 million, down for thirteen consecutive quarters.
- Financial position remains strong, holding approximately HK\$1.2 billion in cash and interest-bearing securities.

	Jul to Sep 2003 HK\$'M	Jul to Sep 2002 HK\$'M
Turnover	56.9	61.3
Gross profit	18.0	16.9
<i>– as a % of turnover</i>	32%	28%
Operating expenditures*	(14.8)	(18.7)
Other revenue	11.2	24.8
Finance costs	–	(5.5)
Profit from operations after finance costs	14.4	17.5

* *Selling, general and administrative expenses*

CHAIRMAN'S STATEMENT

SUNeVision continued to be profitable net of one-off costs as it began a new financial year, recording a net profit of HK\$14.4 million for the quarter ended 30 September 2003.

Turnover in the first quarter of the financial year 2003/04 was HK\$56.9 million, HK\$4.4 million lower than the first quarter of the last financial year. Factors contributing to the decline included lower revenues from the Group's last-mile connectivity businesses as a result of lower number of projects, and longer payment cycles by customers of the Group's property-related on-line business. Compared to the first quarter of last financial year, gross margin improved 4% to 32% largely as a result of continuous improvement in operations.

Operating expenditures declined for the thirteenth consecutive quarter, to HK\$14.8 million compared to HK\$18.7 million in the first quarter of the last financial year. Other revenue for the quarter under review was HK\$11.2 million, a substantial decrease from the first quarter of last financial year, which benefited from a one-time gain on bond disposal as well as higher interest income which was no longer applicable after the Group repaid its shareholder loan in February 2003. Net profit for the quarter was HK\$14.4 million.

The Group's financial position remained strong with approximately HK\$1.2 billion of cash and interest-bearing securities on hand.

During the quarter, iAdvantage continued to win quality customers. Several multinational customers were added in Hong Kong and Shanghai, while the Beijing data centre secured a licensed, value-added telecom service provider as anchor tenant and business partner. Overall occupancy was approximately 60%. During the quarter, SuperStreets, SuperHome, Red-Dots, Super e-Network, and Super e-Technology continued to expand their offerings and trim costs.

In the year ahead, iAdvantage will work hard to further increase occupancy of its data centres in Hong Kong and China. Further, the Group will actively seek opportunities to grow from its core data centre business. SUNeVision will strive to achieve full-year profitability so that the payment of dividend to shareholders may be considered.

I would like to close by thanking the board, management, and every member of staff for their ongoing dedication and hard work in support of SUNeVision.

KWOK PING LUEN, RAYMOND
Chairman and Chief Executive Officer

Hong Kong, 10 November 2003

MANAGING DIRECTOR'S REPORT

OVERVIEW

During the quarter ended 30 September 2003, SUNeVision continued to be profitable net of one-off costs as it started a new financial year, recording a net profit of \$14.4 million. There were no one-off costs incurred in the quarter.

In comparison to the first quarter of the last financial year, turnover fell by HK\$4.4 million, from HK\$61.3 million to HK\$56.9 million. Contributing factors included lower revenues from business units involved in last-mile connectivity construction and installation, as a result of lower number of projects, and deferred income from the Group's property-related on-line business. On the other hand, gross profit improved by HK\$1.1 million, from HK\$16.9 million to HK\$18 million, and gross margin also improved by 4% to 32% due to continuous improvements in operations and a better business mix. Operating expenditures dropped HK\$3.9 million to HK\$14.8 million compared to HK\$18.7 million in the first quarter of the last financial year, representing a continuous decline for 13 consecutive quarters.

Other revenue amounted to HK\$11.2 million, a substantial decrease compared to the first quarter of the last financial year, which included contributions from a one-time capital gain on bonds of HK\$5.5 million and higher interest income generated by larger cash reserves before the Group repaid its shareholder loan of HK\$730 million in February 2003.

SUNeVision remains financially strong with approximately HK\$1.2 billion in cash and interest-bearing securities on hand. The Group will continue its drive to improve business performance and maintain profitability in the coming quarters.

DATA INFRASTRUCTURE

iAdvantage

The focus at iAdvantage remains firmly on offering world-class data centre service to a full range of clients, including multinational corporations, telecommunications carriers and government. Quality clients have been secured in both Hong Kong and on the Mainland. In particular, the Beijing data centre has signed up a licensed, value-added telecom service provider as a client and partner. Economic improvements have induced many companies, especially multinationals, to show more interest in data centre and related infrastructure services, which has led to an increase in enquiries and commitments. iAdvantage continues to review its operations on a regular basis to ensure the optimal deployment of resources.

Super e-Technology

Super e-Technology signed an installation agreement with a major pay-TV operator during the period under review. It now serves more than 85,000 households, of which 60,000 are broadband enabled. The company also began to develop its 'Super e-Shooter', an electronic system for measuring the flow of traffic in venues such as shopping malls.

ENABLING SERVICES

SuperHome

SuperHome maintained its track record of providing attractive service and convenience to resident users during the quarter. It staged another of its regular sales promotions successfully and ran a special Mid-Autumn Festival promotion, offering residents delivery of moon cakes and other related products, so they could celebrate the occasion in style.

SuperStreets

Decoration referrals by SuperStreets continued apace during the quarter, helped along by its new bulk decoration package offerings.

Red-Dots

Red-Dots made steady progress on the financial front since the beginning of the year. The company also upgraded its systems and database to offer ever-improving levels of service to loyal users of Hong Kong's leading on-line auction site.

INVESTMENTS

Venture Capital

The venture capital group continued to look for investment opportunities in established high-technology companies during the period under review. The group takes a prudent and conservative approach to investments, committing new funds only where demonstrably attractive returns can be reasonably expected. No further provisions were made on the portfolio during the period under review.

YEN SHIAO HUA, SHERIDAN

Managing Director

Hong Kong, 10 November 2003

QUARTERLY RESULTS *For the period ended 30 September 2003 (Unaudited)*

The Board of Directors (the “Board”) of SUNeVision Holdings Ltd. (the “Company” or “SUNeVision”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the three months ended 30 September 2003 together with the comparative unaudited figures for the corresponding period in 2002 as follows:

	Notes	Three months ended 30 September	
		2003 HK\$'000	2002 HK\$'000
Turnover	2	56,861	61,253
Cost of sales		(38,903)	(44,372)
Gross profit		17,958	16,881
Other revenue		11,213	24,803
		29,171	41,684
Selling expenses		2,073	2,260
Administrative expenses		12,685	16,434
Profit from operations		14,413	22,990
Finance costs		6	5,531
Profit from operations after finance costs		14,407	17,459
Share of loss of an associate		–	1,009
Profit before taxation		14,407	16,450
Taxation	3	(15)	(21)
Profit before minority interests		14,392	16,429
Minority interests		–	(2)
Profit attributable to shareholders		14,392	16,427
Earnings per share	4		
– Basic		0.71 cents	0.81 cents
– Diluted		0.71 cents	N/A

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 (“HKSA”).

2. Turnover

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

3. Taxation

No Hong Kong profits tax has been provided as the Group has no assessable profit for the period (2002: Nil). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

In the current period, the Group has adopted, for the first time, Statement of Standard Accounting Practice 12 (Revised) “Income Taxes” issued by the HKSA. The Group has not recorded deferred tax assets as they may not be recovered in the foreseeable future. There is no material deferred taxation effect on the results of the Group for the current or prior accounting periods.

4. Earnings per share

The calculation of the Group’s basic earnings per share for the three months ended 30 September 2003 is based on the Group’s unaudited profit attributable to shareholders of approximately HK\$14,392,000 (2002: approximately HK\$16,427,000) and the weighted average number of 2,026,197,500 (2002: 2,026,915,147) shares in issue during the period.

The computation of diluted earnings per share for the three months ended 30 September 2003 is based on the Group’s unaudited profit attributable to shareholders of approximately HK\$14,392,000 and the weighted average number of 2,026,712,999 shares, after adjusting for the effects of all dilutive potential ordinary shares during the period.

No diluted earnings per share is presented for the three months ended 30 September 2002 as the exercise price of the Company’s outstanding share options was higher than the average market price of the shares of the Company and the conversion of the Company’s outstanding convertible note would have an anti-dilutive effect.

5. Reserves

	Three months ended 30 September					2002
	2003					
	Share	Exchange	Property		Total	
			Premium	Revaluation		
HK\$'000	HK\$'000	Reserve	Reserve	HK\$'000	HK\$'000	Total
At beginning of the period	3,868,367	288	6,233	(1,196,366)	2,678,522	3,038,143
Repurchase of own shares	-	-	-	-	-	(1,530)
Net profit for the period	-	-	-	14,392	14,392	16,427
At end of the period	3,868,367	288	6,233	(1,181,974)	2,692,914	3,053,040

DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2003 (2002: nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 September 2003, the interests and short positions of Directors and Chief Executive in shares and, in respect of equity derivatives, underlying shares and debentures of the Company and its Associated Corporations as required to be disclosed under and within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") were as follows:

1. Long positions in shares and underlying shares of the Company:

Name of Director	Beneficial owner	Discretionary trust founder & trust beneficiary	Child under 18 or spouse	Equity derivatives (share option)	Total	% of shares in issue
Kwok Ping Luen, Raymond	-	1,742,500*	-	1,105,000	2,847,500	0.14
Kwok Ping Sheung, Walter	-	1,070,000*	-	595,000	1,665,000	0.08
Kwok Ping Kwong, Thomas	-	1,070,000*	-	595,000	1,665,000	0.08
Yen Shiao Hua, Sheridan	50,000	-	-	1,600,000	1,650,000	0.08
Chan Kui Yuen, Thomas	-	-	-	690,000	690,000	0.03
Wong Yick Kam, Michael	100,000	-	-	540,000	640,000	0.03
Leung Kui King, Donald	-	-	-	540,000	540,000	0.02
So Chung Keung, Alfred	416	-	543	540,000	540,959	0.02
Tung Chi Ho, Eric	-	-	-	540,000	540,000	0.02
Wong Chin Wah	-	-	-	540,000	540,000	0.02
Tung Yiu Kwan, Stephen	-	-	-	540,000	540,000	0.02
So Sing Tak, Andrew	-	-	-	400,000	400,000	0.01

* **Note:** Of these shares in the Company, Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond were deemed to be interested in 1,070,000 shares, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO.

2. Long positions in shares and underlying shares of Sun Hung Kai Properties Limited:

Name of Director	Beneficial owner	Discretionary trust founder & trust beneficiary	Child under 18 or spouse	Corporate	Equity derivatives (share option)	Total	% of shares in issue
Kwok Ping Luen, Raymond	-	1,079,515,895*	-	-	75,000	1,079,590,895	44.96
Kwok Ping Sheung, Walter	-	1,078,322,522*	-	-	75,000	1,078,397,522	44.91
Kwok Ping Kwong, Thomas	1,901,281	1,076,372,214*	304,065	-	75,000	1,078,652,560	44.92
Chan Kui Yuen, Thomas	-	-	66,000	126,500	225,000	417,500	0.01
Wong Yick Kam, Michael	70,904	-	-	-	225,000	295,904	0.01
Leung Kui King, Donald	10,000	-	-	-	36,000	46,000	0
So Chung Keung, Alfred	189,985	-	6,500	-	180,000	376,485	0.01
Tung Chi Ho, Eric	-	-	-	-	180,000	180,000	0
Wong Chin Wah	-	-	-	-	36,000	36,000	0
Tung Yiu Kwan, Stephen	-	-	-	-	24,000	24,000	0

* **Note:** Of these shares in SHKP, Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond were deemed to be interested in 1,056,338,347 shares, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO.

3. Long positions in shares and underlying shares of other Associated Corporations:

(a) SmarTone Telecommunications Holdings Limited:

Name of Director	Interests as discretionary trust founder & trust beneficiary	Child under 18 or spouse	% of shares in issue
Kwok Ping Luen, Raymond	698,767	–	0.11
Li On Kwok, Victor	–	5,000	0

(b) The Kowloon Motor Bus Holdings Limited:

Name of Director	Beneficial owner	% of shares in issue
Kwok Ping Sheung, Walter	61,522	0.01
Kwok Ping Luen, Raymond	393,350	0.09

(c) Each of Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond had the following interests in shares of the following Associated Corporations:

Name of Associated Corporation	Beneficial owner	Attributable holding through corporation	Attributable % of shares in issue through corporation	Actual holding through corporation	Actual % interests in issued shares
Superindo Company Limited	10	–	–	–	10
Super Fly Company Limited	10	–	–	–	10
Splendid Kai Limited	–	2,500*	25	1,500	15
Hung Carom Company Limited	–	25*	25	15	15
Tinyau Company Limited	–	1*	50	1	50
Open Step Limited	–	8*	80	4	40

* **Note:** Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond were deemed to be interested in these shares, which represented the same interests and were therefore duplicated amongst these three directors for the purpose of the SFO. Those shares 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.

The interests of the Directors and the Chief Executive in the share options (being regarded for the time being as unlisted physically settled equity derivatives) of the Company and its Associated Corporations are stated in detail in the following sub-section 4 and Share Option Schemes section below.

4. Sun Hung Kai Properties Limited Share Options

SHKP once adopted a share option scheme on 20 November 1997 (“the Old Scheme”). Since its adoption, SHKP had granted two lots of share options on 15 February 2000 and 16 July 2001. All options granted and accepted can still 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.

SHKP by ordinary resolutions passed at its extraordinary general meeting held on 5 December 2002 has adopted a new share option scheme (“the New Scheme”) and terminated the Old Scheme in order to comply with the new requirements under the then revised Chapter 17 of the Listing Rules. No further options may be offered under the Old Scheme. However, the outstanding options granted under the Old Scheme mentioning in the following paragraphs shall continue to be subject to the provisions of the Old Scheme and the revised provisions of Chapter 17 of the Listing Rules. No option shares have been granted under the New Scheme to any person since its adoption.

The following shows the outstanding positions of the Directors and the Chief Executive as at 30 September 2003 with respect to their share options granted under the Old Scheme:

Name of Director	Date of grant	Exercise price HK\$	Number of share options				Balance as at 30.9.2003
			Balance as at 1.7.2003	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Kwok Ping Luen, Raymond <i>(Chairman and Chief Executive Officer)</i>	16.7.2001	70.00	75,000	–	–	–	75,000
Kwok Ping Sheung, Walter	16.7.2001	70.00	75,000	–	–	–	75,000
Kwok Ping Kwong, Thomas	16.7.2001	70.00	75,000	–	–	–	75,000
Chan Kui Yuen, Thomas	15.2.2000	70.00	150,000	–	–	–	150,000
	16.7.2001	70.00	75,000	–	–	–	75,000
							<u>225,000</u>
Wong Yick Kam, Michael	15.2.2000	70.00	150,000	–	–	–	150,000
	16.7.2001	70.00	75,000	–	–	–	75,000
							<u>225,000</u>
Leung Kui King, Donald	16.7.2001	70.00	36,000	–	–	–	36,000
So Chung Keung, Alfred	15.2.2000	70.00	120,000	–	–	–	120,000
	16.7.2001	70.00	60,000	–	–	–	60,000
							<u>180,000</u>
Tung Chi Ho, Eric	15.2.2000	70.00	120,000	–	–	–	120,000
	16.7.2001	70.00	60,000	–	–	–	60,000
							<u>180,000</u>
Wong Chin Wah	16.7.2001	70.00	36,000	–	–	–	36,000
Tung Yiu Kwan, Stephen	16.7.2001	70.00	24,000	–	–	–	24,000

Save as disclosed above, as at 30 September 2003, none of the Directors and the Chief Executive of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in shares, underlying shares or debentures of the Company and its Associated Corporations, that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

SHARE OPTION SCHEMES

1. Pre-IPO Share Options

The Company had adopted a share option scheme “Pre-IPO Share Options”, the principal terms of which were summarized in the section headed “Statutory and General Information Share Option Schemes” in Appendix 5 to the Company’s prospectus dated 6 March 2000. Since its adoption, the Company had granted four lots of share options.

The options at the exercise 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;
- (iii) the remaining one-third of the options within three years commencing on 31 December 2002; and.
- (iv) the options will expire at the close of business on 30 December 2005.

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;
- (iii) the remaining one-third of the options within three years commencing on 15 November 2003; and
- (iv) the options will expire at the close of business on 14 November 2006.

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;
- (iii) the remaining one-third of the options within three years commencing on 20 March 2004; and
- (iv) the options will expire at the close of business on 19 March 2007.

The options at the exercise price of HK\$1.43 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 8 July 2003;
- (ii) a further one-third of the options within three years commencing on 8 July 2004;
- (iii) the remaining one-third of the options within three years commencing on 8 July 2005; and
- (iv) the options will expire at the close of business on 7 July 2008.

The following shows the outstanding positions of the Directors and Chief Executive as at 30 September 2003 with respect to their Pre-IPO Share Options:

Name of Director	Date of grant	Exercise price	Balance as at 1.7.2003	Number of share options			Balance as at 30.9.2003
				Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Kwok Ping Luen, Raymond <i>(Chairman and Chief Executive Officer)</i>	28.3.2000	10.380	755,000	-	-	-	755,000
	7.4.2001	2.340	350,000	-	-	-	350,000
Kwok Ping Sheung, Walter	28.3.2000	10.380	415,000	-	-	-	415,000
	7.4.2001	2.340	180,000	-	-	-	180,000
Kwok Ping Kwong, Thomas	28.3.2000	10.380	415,000	-	-	-	415,000
	7.4.2001	2.340	180,000	-	-	-	180,000
Yen Shiao Hua, Sheridan	30.11.2000	3.885	450,000	-	-	-	450,000
	7.4.2001	2.340	350,000	-	-	-	350,000
	8.7.2002	1.430	800,000	-	-	-	800,000
Chan Kui Yuen, Thomas	28.3.2000	10.380	510,000	-	-	-	510,000
	7.4.2001	2.340	180,000	-	-	-	180,000
Wong Yick Kam, Michael	28.3.2000	10.380	360,000	-	-	-	360,000
	7.4.2001	2.340	180,000	-	-	-	180,000
Leung Kui King, Donald	28.3.2000	10.380	360,000	-	-	-	360,000
	7.4.2001	2.340	180,000	-	-	-	180,000
So Chung Keung, Alfred	28.3.2000	10.380	360,000	-	-	-	360,000
	7.4.2001	2.340	180,000	-	-	-	180,000
Tung Chi Ho, Eric	28.3.2000	10.380	360,000	-	-	-	360,000
	7.4.2001	2.340	180,000	-	-	-	180,000
Wong Chin Wah	28.3.2000	10.380	360,000	-	-	-	360,000
	7.4.2001	2.340	180,000	-	-	-	180,000
Tung Yiu Kwan, Stephen	28.3.2000	10.380	360,000	-	-	-	360,000
	7.4.2001	2.340	180,000	-	-	-	180,000
So Sing Tak, Andrew	8.7.2002	1.430	400,000	-	-	-	400,000

2. SUNeVision Share Options

The Company by shareholders' resolutions passed at its Annual General Meeting held on 3 December 2002, has adopted a share option scheme "SUNeVision Share Options" and terminated the Pre-IPO Share Options. These have become effective on 5 December 2002 as a result of the passing of ordinary resolutions approving the same by the shareholders of the Company's holding company, SHKP, at its general meeting held on the same day. No further options may be offered under the Pre-IPO Share Options. However, the outstanding options granted under the Pre-IPO Share Options, as mentioned in the preceding paragraphs, shall continue to be subject to the provisions of the Pre-IPO Share Options and the provisions of Chapter 23 of the GEM Listing Rules. No option shares for SUNeVision Share Options have been granted to any person since its adoption as required to be disclosed under the GEM Listing Rules.

3. Share Option Schemes of Subsidiaries

In addition to the Pre-IPO Share Options and the SUNeVision Share Options, the Group operates another share option scheme which was approved for iAdvantage Limited, a subsidiary of the Company, allowing its board of Directors the right to grant to its full-time employees and Executive Directors options to subscribe for its shares in aggregate up to 10% of its issued capital from time to time. The exercise period of any option granted under the share option scheme of iAdvantage Limited must not be less than three years and shall commence on the date of grant of the option and expire on such date as determined by the board of iAdvantage Limited or 28 February 2010, whichever is the earlier, and subject to the provisions for early termination contained therein. No option shares for iAdvantage Limited have been granted to any person since its adoption as required to be disclosed under the GEM Listing Rules.

4. Arrangement to purchase shares or debentures

Other than the share option schemes as mentioned above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2003, the long positions of every person, other than a Director or the Chief Executive of the Company, being 10% or more in the interest in shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

Name	Total number of shares	% of shares in issue
Sunco Resources Limited (“Sunco”) (Note 1)	1,713,613,500	84.57
SHKP (Note 2)	1,713,613,500	84.57
HSBC International Trustee Limited (Note 3)	1,717,623,249	84.77

Notes:

1. Sunco is the beneficial owner of the 1,713,613,500 shares.
2. 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 SFO.
3. HSBC International Trustee Limited is deemed to have interest in the 1,713,613,500 shares of the Company held by SHKP. Of the shares in SHKP in which HSBC International Trustee Limited was interested, 1,056,338,347 shares were the shares referred to in Note to sub-section 2 of the section on “Directors’ and Chief Executive’s Interests”.

INTERESTS OF OTHER PERSONS

As at 30 September 2003, other than the interests in shares and underlying shares of the Company and its Associated Corporations held by the Directors, Chief Executive and substantial shareholders stated above, there were no other persons with interests recorded in the register required to be kept under section 336 of the SFO.

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.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

Mr. Kwok Ping Luen, Raymond, the Company’s Chairman and Chief Executive Officer, is also the Chairman of SmarTone Telecommunications Holdings Limited

("SmarTone"), an associated corporation of the Company, within the meaning of the SFO. The business of SmarTone consists of Internet services, which may be in competition with part of the business of the Group. Likewise, both Mr. Wong Yick Kam, Michael and Mr. So Sing Tak, Andrew, the Company's Executive Directors, are also Non-Executive Directors of SmarTone.

The Independent Non-Executive Directors of the Company, Professor Kao Kuen, Charles and Professor Li On Kwok, Victor, 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 or 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 Kao Kuen, Charles (Chairman) and Professor Li On Kwok, Victor 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. The Audit Committee has reviewed the draft of this Report and has provided advice and comments thereon.

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

During the three months ended 30 September 2003, the Company did not repurchase on the Stock Exchange any ordinary shares in the share capital of the Company.

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 three months ended 30 September 2003.

By Order of the Board

KWOK PING LUEN, RAYMOND

Chairman & Chief Executive Officer

Hong Kong, 10 November 2003

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

SUNeVision Holdings Ltd.

MEGATOP, Mega-iAdvantage

399 Chai Wan Road

Chai Wan, Hong Kong

新意網集團有限公司

MEGATOP, Mega-iAdvantage

香港柴灣柴灣道399號