

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 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 posted a net profit of HK\$41.5 million for the first half of the 2004/05 financial year.
- HK\$120.4 million in turnover for the period under review, up 5.7% over last year's HK\$113.9 million.
- Operating expenditures continued falling to HK\$23.9 million, HK\$4.5 million less than in the same period last year.
- Financial position remained strong, with approximately HK\$1.3 billion in cash and interest bearing securities on hand.
- The Group will continue to strengthen its core businesses and maintain its prudent and conservative approach towards investment opportunities.

	Jul to Dec 2004 HK\$'M	Jul to Dec 2003 HK\$'M
Turnover	120.4	113.9
Gross profit	44.0	31.3
– as a % of turnover	36.5%	27.5%
Operating expenditures*	(23.9)	(28.4)
Other revenue	21.4	41.4
Profit from operations	41.5	44.3

* Selling, general and administrative expenses

CHAIRMAN'S STATEMENT

SUNeVision continued to be profitable in the first half of the financial year 2004/05, recording a net profit of HK\$41.5 million for the six months ended 31 December 2004.

Turnover in the first half of the financial year 2004/05 was HK\$120.4 million, HK\$6.4 million higher than the first half of the last financial year. Factors contributing to the increase included higher revenues from the Group's data centre and last-mile connectivity businesses. Compared to the first half of the last financial year, gross margin improved 9% to 37%, largely as a result of the increase in revenue and continuous improvement in operations.

Operating expenditures continued to fall, dropping to HK\$23.9 million as against HK\$28.4 million in the first half of the last financial year. Other revenue for the period was HK\$21.4 million. This was substantially lower than other revenue for the first half of the last financial year, which benefited from one-time termination penalties by customers of the Group's data centre business. Net profit for the period under review was HK\$41.5 million, compared to HK\$44.2 million in the first half of the last financial year.

The Group's financial position remained strong, with approximately HK\$1.3 billion in cash and interest-bearing securities on hand.

During the second quarter of the financial year, iAdvantage continued to win quality customers including a major public body and a large telecommunication services provider. Overall occupancy was approximately 65%. During the period, the Group's other business units continued to strengthen their market positions and trim costs.

Looking forward to the second half of the financial year, iAdvantage will continue to work vigorously to increase the occupancy of its data centres in Hong Kong and China. The Group will also continue to strengthen its core businesses. As noted in the report for the first quarter of the financial year, SUNeVision will strive to sustain full-year profitability so that the payment of dividend to shareholders may be considered at the end of the financial year.

Finally, I would like to thank the board, management, and every member of staff for their ongoing dedication and hard work, and our shareholders for the confidence they have placed in the Group.

Kwok Ping-luen, Raymond

Chairman and Chief Executive Officer

Hong Kong, 4 February 2005

MANAGING DIRECTOR'S REPORT

OVERVIEW

I am pleased to present my first report to the shareholders.

Turnover in the first half of the financial year 2004/05 was HK\$120.4 million, HK\$6.4 million higher than the first half of the last financial year. Higher revenues from the Group's data centre and last-mile connectivity businesses were the main factors contributing to the increase. Compared to the first half of the last financial year, gross margin improved 9% to 37% mainly as a result of the increase in revenue and continuous improvement in operations.

Operating expenditures fell to HK\$23.9 million as against HK\$28.4 million in the first half of the last financial year. Other revenue for the period was HK\$21.4 million. This was substantially lower than the figures for other revenue in the first half of the last financial year, which included one-time termination penalties from former clients of the Group's data centres. Net profit for the period under review was HK\$41.5 million, compared to HK\$44.2 million in the first half of the last financial year.

The Group's financial position remained strong, with approximately HK\$1.3 billion of cash and interest-bearing securities on hand.

DATA INFRASTRUCTURE

iAdvantage

iAdvantage continued to win quality customers in the period under review, including a major public body and a large telecommunication services provider. Overall occupancy was approximately 65% compared to 56% in the corresponding period last year.

With continuous operational improvements and technological upgrades, iAdvantage remains confident of offering world-class data centre infrastructure and services to its important customers.

Super e-Technology

Super e-Technology kept adding to the number of satellite master antenna television systems (SMATV) to deliver a major pay TV operator's programming. Orders received for digital video recorders (DVR) also increased significantly. The Super e-Shooter people-tracking systems continued to attract shopping mall operators and new orders were placed.

Super e-Network

Super e-Network continued to grow with the increased deployment of broadband services in the market. Accomplishments during the period under review included the installation and operation of a virtual private network connecting 330 nodes in estates managed by Hong Yip Service Company Limited. The growth of broadband Internet worldwide continued to drive demand for value-added services by the business unit.

ENABLING SERVICES

SuperHome

SuperHome undertook a restructuring during the first half of the 2004/05 financial year and streamlined its operations for better profitability. The restructured SuperHome continued to serve residents daily with its unique blend of on-line and on-site services.

SuperStreets

SuperStreets' mortgage referral business continued to generate profit for the Group. The outlook for the mortgage referral business is positive as the property market recovery continues.

Red-Dots

Red-Dots continued to offer unique services to discerning Hong Kong consumers looking for a high-quality, trustworthy e-auction and shopping platform. The company plans to focus on higher-priced merchandise to further improve margins.

INVESTMENT

Venture Capital

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

OTHER FINANCIAL DISCUSSION AND ANALYSIS

The Group adheres to a prudent financial management policy and has a strong balance sheet, with healthy liquidity and financial resources. As of 31 December 2004, the Group had cash and interest-bearing securities of approximately HK\$1.3 billion.

Gearing ratio at 31 December 2004, calculated on the basis of net debt (after deducting cash and bank balances) to shareholders' funds, was zero.

As at 31 December 2004, the Group had contingent liabilities in respect of guarantees for general banking facilities utilized by group subsidiaries and other guarantees in the aggregate amount of HK\$77.51 million.

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 of 31 December 2004, 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 2004.

EMPLOYEES

The Group had 169 full-time employees as of 31 December 2004. Payroll costs fell slightly during the period under review, while other remuneration and benefits (including medical coverage and provident fund contributions) stayed at an appropriate level. Various training and development opportunities were offered to improve employees' knowledge and skills.

The Group offers a share option scheme to reward employees who make significant contributions and to retain key staff. Particulars of the scheme are set out in the relevant sections of this report.

So Sing-tak, Andrew

Managing Director

Hong Kong, 4 February 2005

CONSOLIDATED INCOME STATEMENT*For the three and six months ended 31 December 2004*

	Notes	(Unaudited) Three months ended 31 December		(Unaudited) Six months ended 31 December	
		2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover		59,605	57,085	120,390	113,946
Cost of sales		(37,260)	(43,721)	(76,348)	(82,624)
Gross profit		22,345	13,364	44,042	31,322
Other revenue		11,068	30,155	21,362	41,368
		33,413	43,519	65,404	72,690
Selling expenses		1,790	2,038	3,284	4,111
Administrative expenses		10,477	11,623	20,635	24,308
Profit from operations	3	21,146	29,858	41,485	44,271
Finance costs		1	6	3	12
Profit before taxation		21,145	29,852	41,482	44,259
Taxation	4	–	–	–	(15)
Profit attributable to shareholders		21,145	29,852	41,482	44,244
Earnings per share	5				
– Basic		1.04 cents	1.47 cents	2.05 cents	2.18 cents
– Diluted		N/A	1.47 cents	N/A	2.18 cents

CONSOLIDATED BALANCE SHEET

At 31 December 2004

	Notes	(Unaudited) 31 December 2004 HK\$'000	(Audited) 30 June 2004 HK\$'000
NON-CURRENT ASSETS			
Investment properties		513,800	513,800
Property, plant and equipment	6	1,030,505	1,045,902
Investments	7	485,424	774,239
Interest in an associate		190	2,261
		2,029,919	2,336,202
CURRENT ASSETS			
Investments	7	319,896	99,871
Inventories		5,609	3,208
Trade and other receivables	8	58,859	52,061
Amounts due from customers for contract work		7,991	12,846
Bank balances and deposits		668,979	607,661
		1,061,334	775,647
CURRENT LIABILITIES			
Trade and other payables	9	109,086	112,400
Amounts due to customers for contract work		2,738	286
Obligations under finance leases – due within one year		–	141
Taxation		–	19
		111,824	112,846
NET CURRENT ASSETS			
		949,510	662,801
TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,979,429	2,999,003
MINORITY INTERESTS			
		10,044	10,314
		2,969,385	2,988,689
CAPITAL AND RESERVES			
Share capital		202,619	202,619
Reserves		2,766,766	2,725,284
Proposed final dividend		–	60,786
		2,969,385	2,988,689

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2004

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Property revaluation reserve HK\$'000	Accumulated losses HK\$'000	Proposed dividend HK\$'000	Total HK\$'000
At 1 July 2003	202,619	3,868,367	288	6,233	(1,196,366)	-	2,881,141
Net profit for the period	-	-	-	-	44,244	-	44,244
At 31 December 2003	202,619	3,868,367	288	6,233	(1,152,122)	-	2,925,385
At 1 July 2004	202,619	3,868,367	288	6,233	(1,149,604)	60,786	2,988,689
Payment of 2003/04 final dividends	-	-	-	-	-	(60,786)	(60,786)
Net profit for the period	-	-	-	-	41,482	-	41,482
At 31 December 2004	202,619	3,868,367	288	6,233	(1,108,122)	-	2,969,385

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 31 December 2004*

	(Unaudited)	
	Six months ended	
	31 December	
	2004	2003
	HK\$'000	HK\$'000
Net cash from operating activities	30,681	66,481
Net cash from (used in) investing activities	89,496	(251,372)
Net cash used in financing activities	(58,859)	(143)
Net increase (decrease) in cash and cash equivalents	61,318	(185,034)
Cash and cash equivalents at 1 July	607,661	436,666
Cash and cash equivalents at 31 December	668,979	251,632

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the Statement of Standard Accounting Practice No. 25 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 30 June 2004.

The condensed interim financial statements are unaudited, but have been reviewed by the Audit Committee.

2. Business and Geographical Segments

Business segments

Business segment information is chosen as the primary reporting segment format. The principal activities of the main business segments of the Group are as follows:

Internet services centre and IT facilities cover the provision of data centre, facilities management, web applications and value added services.

Satellite master antenna television system (“SMATV”), communal aerial broadcast distribution (“CABD”), structural cabling and security systems comprise installation and maintenance services for the respective systems.

Properties holding refers to the Group’s interests in rental properties.

2. Business and Geographical Segments (Continued)

Business segments (Continued)

Segment information about these businesses is presented below:

For the six months ended 31 December 2004

	Internet services centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
TURNOVER					
External	72,408	32,149	15,833	–	120,390
Inter-segment	1,068	407	1,195	(2,670)	–
Total	73,476	32,556	17,028	(2,670)	120,390
RESULTS					
Segment results	13,480	6,864	11,215	–	31,559
Unallocated corporate expenses					(10,382)
Interest income					22,030
Loss on redemption of debt securities					(1,201)
Loss on disposal of equity technology investments					(521)
Profit from operations					41,485
Finance costs					(3)
Profit before taxation					41,482
Taxation					–
Profit attributable to shareholders					41,482

2. Business and Geographical Segments (Continued)

Business segments (Continued)

For the six months ended 31 December 2003

	Internet services centre and IT facilities HK\$'000	SMATV, CABD, structural cabling and security systems HK\$'000	Properties holding HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
TURNOVER					
External	68,044	29,896	16,006	–	113,946
Inter-segment	497	441	1,431	(2,369)	–
Total	68,541	30,337	17,437	(2,369)	113,946
RESULTS					
Segment results	15,129	4,677	11,054	–	30,860
Unallocated corporate expenses					(11,005)
Interest income					24,363
Gain on redemption/disposal of debt securities					53
Profit from operations					44,271
Finance costs					(12)
Profit before taxation					44,259
Taxation					(15)
Profit attributable to shareholders					44,244

Inter-segment revenue are charged at prevailing market rates.

2. Business and Geographical Segments *(Continued)*

Geographical segments

The Group's turnover and results are substantially derived from Hong Kong. Accordingly, no analysis by geographical segment is presented.

3. Profit from Operations

	Six months ended 31 December	
	2004 HK\$'000	2003 HK\$'000
Profit from operations has been arrived at after charging:		
Depreciation	23,040	24,790
Loss on redemption of debt securities	1,201	–
Loss on disposal of equity technology investments	521	–
Loss on disposal of property, plant and equipment	–	30
and after crediting:		
Interest income	22,030	24,363
Compensations received from tenants	500	16,256
Gain on disposal of property, plant and equipment	21	–
Gain on redemption/disposal of debt securities	–	53

4. Taxation

	Six months ended 31 December	
	2004 HK\$'000	2003 HK\$'000
Tax in other regions of the People's Republic of China (the "PRC")	–	15

4. Taxation (Continued)

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no estimated assessable profit subject to Hong Kong Profits Tax for both periods.

No provision for the PRC income tax has been made in the financial statements as the Group had no estimated assessable profit subject to PRC income tax for the current period.

Tax in other regions of the PRC for the six months ended 31 December 2003 was calculated at the rates prevailing in those jurisdictions.

5. Earnings Per Share

The calculation of the Group's basic earnings per share for the three months and six months ended 31 December 2004 is based on the Group's unaudited profit attributable to shareholders of approximately HK\$21,145,000 and HK\$41,482,000 (three months and six months ended 31 December 2003: approximately HK\$29,852,000 and HK\$44,244,000) and on the weighted average number of 2,026,197,500 ordinary shares in issue during the periods.

No diluted earnings per share is presented for the three months and six months ended 31 December 2004 as the exercise price of the Company's outstanding share options was higher than the average market price of the shares of the Company.

The computation of diluted earnings per share for the three months and six months ended 31 December 2003 is based on the Group's unaudited profit attributable to shareholders of approximately HK\$29,852,000 and HK\$44,244,000 and on the weighted average number of 2,026,904,029 and 2,027,053,469 shares respectively, after adjusting for the effects of all dilutive potential ordinary shares during the periods.

6. Property, Plant and Equipment

During the period, additions to fixed assets amounted to approximately HK\$8,128,000 and net book value of fixed assets disposed amounted to approximately HK\$485,000.

7. Investments

	31 December 2004	30 June 2004
	HK\$'000	HK\$'000
Equity technology investments	122,173	132,549
Debt securities	683,147	741,561
Total	805,320	874,110
Carrying amount analysed for reporting purpose as:		
Current (debt securities redeemable within one year)	319,896	99,871
Non-current	485,424	774,239
	805,320	874,110

No provision for impairment of investments has been made for the six months ended 31 December 2004 (2003: HK\$ Nil).

8. Trade and Other Receivables

Included in trade and other receivables are trade receivables of HK\$36,738,000 (as at 30 June 2004: HK\$22,501,000), of which 83% aged less than 60 days, 10% between 61 to 90 days and 7% more than 90 days (as at 30 June 2004: 83%, 7% and 10% respectively).

The Group generally grants an average credit period of 30 days to its customers.

9. Trade and Other Payables

Included in trade and other payables are trade payables of HK\$2,729,000 (as at 30 June 2004: HK\$4,548,000), of which 98% aged less than 60 days, 1% between 61 to 90 days and 1% more than 90 days (as at 30 June 2004: 98%, 0% and 2% respectively).

10. Related Party Transactions

During the period, the Group had significant transactions with certain related parties as follows:

(a) Transactions with SHKP Group

	Notes	Six months ended 31 December	
		2004 HK\$'000	2003 HK\$'000
Advertising and e-commerce transactions	(i)	2,053	2,910
Design and renovation services income	(i)	–	229
Income from installation, operation and provision of cable networking	(i)	9,870	9,651
Income from maintenance and repair of network infrastructure and security systems	(i)	18,162	16,938
Non-core value added service income	(i)	318	155
Space and rack rental income	(i)	1,288	1,398
Cable and network rental charges	(i)	989	1,021
Estate agency fees paid	(i)	380	358
Insurance service charges paid	(i)	563	1,054
Management fee charges	(iii)	1,000	1,000
Promotion service charges	(i)	609	629
Property management service fees paid	(ii)	4,275	4,542
Rent paid	(ii)	2,084	2,106
Retrofitting service charges	(i)	16	152
Technical service charge paid	(i)	464	433

10. Related Party Transactions *(Continued)***(a) Transactions with SHKP Group** *(Continued)***Notes:**

- (i) These transactions were carried out at market prices or, where no market price was available, at cost plus a percentage profit mark-up.
- (ii) The amounts were paid in accordance with the relevant agreements for which the rental and building management fee charge were set by reference to market value of similar transactions.
- (iii) The amounts were paid in accordance with the relevant agreement for which the services were reimbursed at cost.

(b) Transaction with a director

During the period, the Group paid professional fee of HK\$83,270 (2003: HK\$257,160) to Messrs. Woo, Kwan, Lee & Lo, a firm of solicitors which provided day to day professional services to the Group. Mr. Cheung Wing-yui, a director of the Company, is a partner of Messrs. Woo, Kwan, Lee & Lo. These transactions were carried out with reference to market prices.

(c) Transaction with an investee company

During the period, the Group received rental income of HK\$60,660 (2003: HK\$31,860) from a company in which the Group has a 5% interest. These transactions were carried out with reference to market prices.

11. Capital Commitments

	31 December 2004	30 June 2004
	HK\$'000	HK\$'000
Contracted for but not provided in the financial statements		
– Acquisition of property, plant and equipment	4,649	4,397
– Investments	74,670	109,770
	79,319	114,167
Authorised but not contracted for		
– Acquisition of property, plant and equipment	–	1,043

12. Contingent Liabilities

As at 31 December 2004, the Company had contingent liabilities in respect of guarantees for general banking facilities utilized by subsidiaries and other guarantees in the aggregate amount of HK\$77.51 million (as at 30 June 2004: HK\$6.21 million).

DIVIDEND

The board does not recommend the payment of an interim dividend for the six months ended 31 December 2004 (2003: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 December 2004, 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	Personal	Child under 18 or spouse	Others	Equity derivatives (share option)	Total	% of shares in issue
Kwok Ping-luen, Raymond	-	-	1,742,500*	601,666	2,344,166	0.11
Kwok Ping-sheung, Walter	-	-	1,070,000*	318,334	1,388,334	0.06
Kwok Ping-kwong, Thomas	-	-	1,070,000*	318,334	1,388,334	0.06
Chan Kui-yuen, Thomas	-	-	-	350,000	350,000	0.01
Wong Yick-kam, Michael	100,000	-	-	300,000	400,000	0.01
Leung Kui-king, Donald	-	-	-	300,000	300,000	0.01
So Chung-keung, Alfred	416	543	-	500,000	500,959	0.02
Tung Chi-ho, Eric	-	-	-	300,000	300,000	0.01
Tung Yiu-kwan, Stephen	-	-	-	500,000	500,000	0.02
Wong Chin-wah	-	-	-	500,000	500,000	0.02
So Sing-tak, Andrew	-	-	-	800,000	800,000	0.03
Yen Shiao-hua, Sheridan [#]	50,000	-	-	2,250,000	2,300,000	0.11

Note:

* Of these shares in the Company, Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas 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.

Mr. Yen Shiao-hua, Sheridan had resigned on 4 December 2004 and his interests as shown above represented his interests as at the same day.

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

Name of director	Personal	Child	Corporate	Others	Equity	Total	% of shares in issue
		under 18 or spouse			derivatives (share option)		
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	304,065	–	1,076,372,214 [#]	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-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas 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	Child under 18 or spouse	Others	% of shares in issue
Kwok Ping-luen, Raymond	–	2,237,767	0.38
Li On-kwok, Victor	5,000	–	0

- (b) Each of Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas had the following interests in shares of the following Associated Corporations:

Name of associated corporation	Personal	Attributable		Actual holding through corporation	Actual % interests in issued shares
		Attributable holding through corporation	% of shares in issue through corporation		
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-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas 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 31 December 2004 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 31.12.2004
			Balance as at 1.7.2004	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	-	-	-	<u>75,000</u>
Wong Yick-kam, Michael	15.2.2000	70.00	150,000	-	-	-	150,000
	16.7.2001	70.00	75,000	-	-	-	<u>75,000</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	-	-	-	<u>60,000</u>
Tung Chi-ho, Eric	15.2.2000	70.00	120,000	-	-	-	120,000
	16.7.2001	70.00	60,000	-	-	-	<u>60,000</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 31 December 2004, 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 required standard of dealings by Directors as referred to in GEM Listing Rule 5.46.

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.

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. Since the adoption of the SUNeVision Share Options, the Company had granted one lot of share options at the exercise price of HK\$1.59 per share which may be exercised in accordance with the terms of the relevant scheme as to:

- (i) an amount up to one-third of the grant within three years commencing on 29 November 2004;
- (ii) the remaining amount but up to two-thirds of the grant within three years commencing on 29 November 2005;
- (iii) the remaining amount within three years commencing on 29 November 2006;
and
- (iv) the options will expire at the close of business on 28 November 2009.

The following shows the outstanding positions of the Directors and Chief Executive as at 31 December 2004 with respect to their Pre-IPO Share Options and SUNeVision Share Options:

Name of director	Date of grant	Exercise price HK\$	Number of share options				Balance as at 31.12.2004
			Balance as at 1.7.2004	Granted during the period	Exercised during the period	Cancelled/Lapsed during the period	
Kwok Ping-luen, Raymond (Chairman and Chief Executive Officer)	28.3.2000	10.38	503,333	-	-	251,667	251,666
	7.4.2001	2.34	350,000	-	-	-	350,000
Kwok Ping-sheung, Walter	28.3.2000	10.38	276,667	-	-	138,333	138,334
	7.4.2001	2.34	180,000	-	-	-	180,000
Kwok Ping-kwong, Thomas	28.3.2000	10.38	276,667	-	-	138,333	138,334
	7.4.2001	2.34	180,000	-	-	-	180,000
Chan Kui-yuen, Thomas	28.3.2000	10.38	340,000	-	-	170,000	170,000
	7.4.2001	2.34	180,000	-	-	-	180,000
Wong Yick-kam, Michael	28.3.2000	10.38	240,000	-	-	120,000	120,000
	7.4.2001	2.34	180,000	-	-	-	180,000
Leung Kui-king, Donald	28.3.2000	10.38	240,000	-	-	120,000	120,000
	7.4.2001	2.34	180,000	-	-	-	180,000
So Chung-keung, Alfred	28.3.2000	10.38	240,000	-	-	120,000	120,000
	7.4.2001	2.34	180,000	-	-	-	180,000
	29.11.2003	1.59	200,000	-	-	-	200,000
Tung Chi-ho, Eric	28.3.2000	10.38	240,000	-	-	120,000	120,000
	7.4.2001	2.34	180,000	-	-	-	180,000
Wong Chin-wah	28.3.2000	10.38	240,000	-	-	120,000	120,000
	7.4.2001	2.34	180,000	-	-	-	180,000
	29.11.2003	1.59	200,000	-	-	-	200,000
Tung Yiu-kwan, Stephen	28.3.2000	10.38	240,000	-	-	120,000	120,000
	7.4.2001	2.34	180,000	-	-	-	180,000
	29.11.2003	1.59	200,000	-	-	-	200,000
So Sing-tak, Andrew	8.7.2002	1.43	400,000	-	-	-	400,000
	29.11.2003	1.59	400,000	-	-	-	400,000
Yen Shiao-hua, Sheridan (Resigned on 4 December 2004)	30.11.2000	3.885	450,000	-	-	150,000	300,000
	7.4.2001	2.34	350,000	-	-	-	350,000
	8.7.2002	1.43	800,000	-	-	-	800,000
	29.11.2003	1.59	800,000	-	-	-	800,000

3. Pre-IPO Share Options and SUNeVision Share Options granted to the employees of SUNeVision

A summary of the movements during the period ended 31 December 2004 of the share options granted under the Pre-IPO Share Options and the SUNeVision Share Options to the employees of the Company working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance, other than the Directors and Chief Executive as disclosed above, is as follows:

Date of grant	Exercise price HK\$	Number of share options				Balance as at 31.12.2004
		Balance as at 1.7.2004	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
28.3.2000	10.38	993,333	–	–	(506,667)	486,666
30.11.2000	3.885	1,487,500	–	–	(662,500)	825,000
7.4.2001	2.340	885,000	–	–	–	885,000
8.7.2002	1.430	1,050,000	–	–	(150,000)	900,000
29.11.2003	1.590	1,550,000	–	–	(150,000)	1,400,000
						4,496,666

Other than the participants as stated above, SUNeVision has not granted since the adoption of the Pre-IPO Share Options and SUNeVision Share Options any share options to any other persons as required to be disclosed under GEM Listing Rules 23.07.

4. Valuation of options granted during the period

During the six months ended 31 December 2004, neither the Company nor any of its subsidiaries granted any share options.

5. 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 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.

6. 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 31 December 2004, 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 ¹ ("Sunco")	1,713,613,500	84.57
SHKP ²	1,713,613,500	84.57
HSBC International Trustee Limited 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".

Save as disclosed above, as at 31 December 2004, none of the substantial shareholders were taken to be interested or deemed to have any other interests or short positions in shares, underlying shares or debentures of the Company that were required to be entered into the register kept by the Company pursuant to section 336 of the SFO.

INTERESTS OF OTHER PERSONS

As at 31 December 2004, 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

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 four members comprising three Independent Non-Executive Directors, Professor Kao Kuen, Charles (Chairman), Professor Li On-kwok, Victor and Dr. Fong Ching, Eddy 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 six months ended 31 December 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has complied with the GEM Listing Rules 5.48 to 5.67 (where applicable) concerning securities transactions by Directors throughout the accounting period covered by this Report and all Directors have complied with the required standard of dealings set out therein.

BOARD PRACTICES AND PROCEDURES

The Company had complied with the Repealed GEM Listing Rules 5.34 to 5.45 (where applicable) concerning board practices and procedures throughout the accounting period covered by this Report.

By Order of the Board

Kwok Ping-luen, Raymond
Chairman & Chief Executive Officer

Hong Kong, 4 February 2005

SUNeVision put in a strong performance, posting a net profit of HK\$41.5 million during the six months that ended 31 December 2004, maintaining growth as a result of concerted efforts from all its constituent business units.

iAdvantage saw occupancy of its data centres rise to 65% during the period under review, as it continued to attract high-calibre clients. Super e-Technology's SMATV and Super e-Network's broadband services all kept expanding steadily.

The Group's enabling services also performed satisfactorily. SuperHome is striving for better profitability. The revival of the Hong Kong property market offers potentials for SuperStreets' mortgage referral services. Red-Dots continued to maintain its status as a trusted platform for on-line auctions and shopping.



新意網在旗下業務單位的共同努力下，業績表現強勁。截至2004年12月31日止六個月，錄得純利4,150萬港元。

回顧期內，互聯優勢持續吸納高質素新客戶，租用率增至65 %。新意網科技的衛星電視共用天線系統及Super e-Network 的寬頻業務皆穩步增長。

輔強服務方面表現亦見理想，SuperHome不斷增強盈利能力。本港地產市道復甦，SuperStreets的按揭轉介業務前景向好。點點紅繼續維持其高質素及可靠的電子拍賣及購物平台的市場定位。



Super e-Technology

Super e-Network



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