

SUNeVision Holdings Limited

Annual Report 2001

新意網集團有限公司年報



The technology arm of Sun Hung Kai Properties



SUNeVision Holdings Limited

Incorporated in the Cayman Islands with limited liability

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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.

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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 enquires, that to the best of their knowledge and belief, (i) the information contained in the announcement are accurate and complete in all material aspects and not misleading; (ii) there are no other facts the omission of which would make any statement herein misleading; and (iii) opinions expressed in this announcement have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

Financial Highlights

For the quarter ended	30 Jun 01 HK\$'000	31 Mar 01 HK\$'000	31 Dec 00 HK\$'000	30 Sep 00 HK\$'000
Turnover	62,727	54,019	48,798	32,077
Cost of sales.....	(61,022)	(57,956)	(56,909)	(37,990)
Gross profit/(loss).....	1,705	(3,937)	(8,111)	(5,913)
Other revenue.....	27,217	32,415	42,065	51,692
	28,922	28,478	33,954	45,779
Operating expenditures*...	(53,012)	(62,519)	(69,368)	(69,985)
Loss from operations	(24,090)	(34,041)	(35,414)	(24,206)

*Research & development, selling, general and administrative expenses

Financial Summary

Results for the year ended 30 June	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000	1998 HK\$'000
Turnover	197,621	67,069	47,578	51,731
(Loss) profit from operations	(117,751)	(31,110)	21,928	27,677
Net loss for the year	(171,080)	(46,536)	(720)	(1,221)
Assets and Liabilities	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000	
Total assets	4,849,798	5,070,751	602,246	
Total liabilities.....	(966,646)	(985,748)	(606,374)	
Minority interests.....	(148)	(1)	-	
Shareholders' funds	3,883,004	4,085,002	(4,128)	

Notes:

- The results for each of the three years ended 30 June 2000 have been prepared on a merger basis as if the Group structure immediately after the group reorganisation had been in existence since 1 July 1997.
- The Company was incorporated in the Cayman Islands on 25 January 2000. The balance sheet of the Group as at 30 June 1999 was prepared on a merger basis.

Board of Directors

EXECUTIVE DIRECTORS

Kwok Ping Luen, Raymond
Chairman & Chief Executive Officer

Kwok Ping Sheung, Walter

Kwok Ping Kwong, Thomas

Yen Shiao Hua, Sheridan
Managing Director

Chan Kui Yuen, Thomas

Wong Yick Kam, Michael

Leung Kui King, Donald

So Chung Keung, Alfred

Tung Chi Ho, Eric

Wong Chin Wah, Jimmy

Tung Yiu Kwan, Stephen

Chang, Frederick Hubert

NON-EXECUTIVE DIRECTOR

Cheung Wing Yui

INDEPENDENT

NON-EXECUTIVE DIRECTORS

Kao Kuen, Charles

Li On Kwok, Victor

Zhang Shoucheng, Steven

Compliance Officer

Wong Yick Kam, Michael

Company Secretary

Cheng Chung Ho, Jeremy

Qualified Accountant

Tsim Wing Kit, Alfred

Audit Committee

Kao Kuen, Charles

Chairman

Li On Kwok, Victor

Cheung Wing Yui

Authorised Representatives

Kwok Ping Luen, Raymond

Cheng Chung Ho, Jeremy

Registered Office

P.O. Box 309, Uglan House
South Church Street, George Town
Grand Cayman, Cayman Islands
British West Indies

**Head Office and Principal
Place of Business**

21st Floor, Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

Beijing Representative Office

Room 1117, 11/F,
Office Tower 2
Sun Dong An Plaza
138 Wang Fu Jing Da Jie
Dong Cheng District
Beijing

Legal Advisers

[As to Hong Kong Law](#)
Woo Kwan Lee & Lo
Winston Chu & Company

[As to Cayman Islands Law](#)

Maples and Calder Asia

Auditors

Deloitte Touche Tohmatsu

Sponsor

Jardine Fleming Securities Limited

**Principal Share Registrar
and Transfer Office**

Bank of Butterfield International
(Cayman) Ltd
P.O. Box 705, Butterfield House
Fort Street, George Town
Grand Cayman
Cayman Islands

**Hong Kong Branch Share
Registrar and Transfer Office**

Central Registration
Hong Kong Limited
Rooms 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal Bankers

The Hongkong & Shanghai
Banking Corporation Limited
Bank of China
Standard Chartered Bank
The Bank of East Asia, Limited

Stock Code

8008

Website

www.sunevision.com

The corporate structure of the Group as at 30 June 2001 is set out as follows:

SUNeVision

1

Internet Infrastructure

iAdvantage

www.iadvantage.net

Data Centres

IT Networks

Managed Services

Super e-Technology

www.superetech.com.hk

Super e-Network

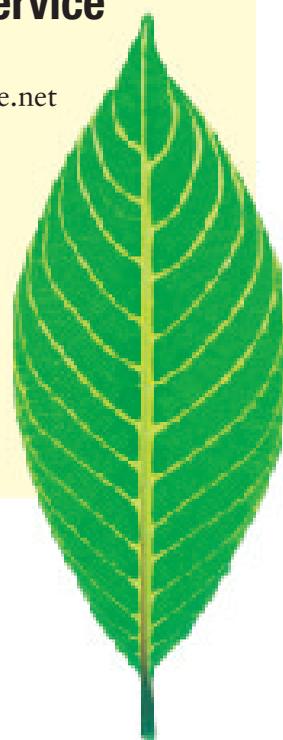


2

Business Enabling Service

Super-Office

www.super-office.net



Holdings Limited ^I

3

Consumer Enabling Service

SuperHome

www.superhome.net

SuperStreets

PropertyStreet

www.propertystreet.net

InsuranceStreet

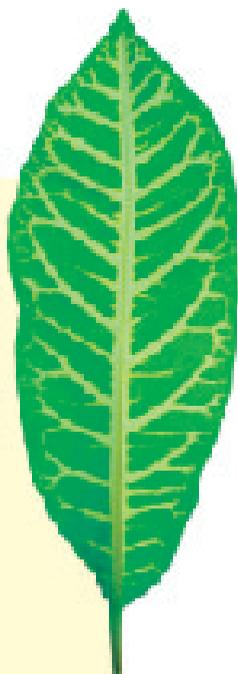
www.insurancestreet.net

BankingStreet

www.bankingstreet.net

Red-Dots

www.red-dots.com



4

Venture Capital

SUNeVision Ventures

www.sunevisionvc.com



I. To be referred to as the “Company” or “SUNeVision”. “Group” in this annual report means SUNeVision and its subsidiaries.

Chairman's Statement

I am pleased to present the results of SUNeVision for the financial year 2000-2001.

Financial Results

With the opening of new data centres and the launch of new services, revenue for the year under review was HK\$198 million, up 194% over 1999-2000 (HK\$67 million). Largely as a result of heavy start-up costs and one-off charges, losses for the year were HK\$171 million as against HK\$47 million in 1999-2000.

The directors do not recommend the payment of a final dividend for the year ended 30 June 2001.

In the fourth quarter of the financial year 2001, we achieved positive gross margin for the first time as well as cutting operating losses by 29% compared with the previous quarter.

Business Review

Despite global and local economic downturn, **SUNeVision was able to continue its record of double digit revenue growth** in each of the five quarters since listing in March 2000. We also steadily reduced operating expenses throughout the year. During the period under review, we critically reviewed staffing, trimming wherever necessary to ensure a lean and fully productive organisation.

The past year has been a period of challenges for Internet enterprises. The slowdown in information technology spending, caused primarily by a global retreat from the heady days of the Internet revolution, dampened demand for IT products and services.

The effects of this contraction were well demonstrated in June 2001, when iAsiaWorks, one of iAdvantage's major clients, closed its Hong Kong operations. However, by leveraging the widely acknowledged quality of iAdvantage's data centre facilities and services and its leadership in the Internet infrastructure sector, we achieved considerable success in our efforts to lease the space this client had vacated to a number of its former customers as well as to multinational corporations.

iAdvantage continued to demonstrate clear leadership in the Internet infrastructure sector in Asia during the year under review. Despite difficult market conditions, leasing at the data centres was generally satisfactory. In February 2001, the 350,000 sq. ft. MEGA-iAdvantage in Chai Wan began operations. It is the only purpose-built data centre in Hong Kong with superior specifications and

has attracted quality customers including large multinational corporations. During the year, iAdvantage continued to strengthen its competitive position by introducing innovative value-added services and by entering into strategic alliances with a number of leading international solutions providers. SUNeVision's other business units, Super e-Technology, Super e-Network, Super-Office, SuperHome, SuperStreets, Red-Dots and Venture Capital made steady progress throughout the year.

Forward Strategy

The information technology sector is expected to consolidate further; sound business sense will continue to shape SUNeVision's forward strategy as we build on our steady revenue growth and solid fundamentals.

As part of our ongoing review of business operations, we will continue to focus on operations with growth potential, particularly our Internet infrastructure services. We will continue to tightly manage our operating and capital expenditures, and a series of cost cutting measures will be put in place to further reduce our operating expenses. With our strong financial position of HK\$1.87 billion in cash and interest bearing securities, and with the capital expenditure-intensive period over, we are in a favourable position to capture new expansion opportunities and investments when appropriate.

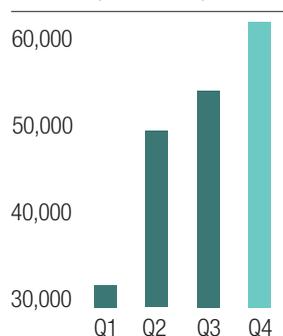
The information technology shakedown is by no means over, and we will continue to face many challenges in the near term. I am confident, however, in the long-term future of the sector. Any continuing weakness in the overall economy will inevitably force businesses to compete by operating more efficiently and cost-effectively, and this will drive fresh demands for information technology of proven quality. Therefore the long-term growth prospects for SUNeVision remain positive.

I would like to thank my fellow directors and SUNeVision's management for their unremitting efforts during the year. Their loyal dedication, coupled with strong experience, has done much to lay the firm groundwork for our future.

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer
Hong Kong, 17 September 2001

Managing Director's Report

Turnover (in HK\$'000)

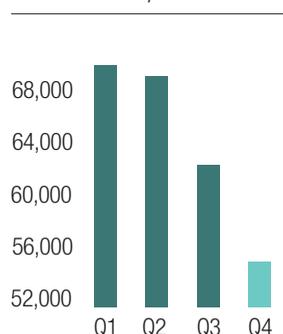


SUNeVision faced a challenging year as the economic downturn took its toll on the information technology sector across the world. To cope with the changing operating environment, we reviewed our operations critically and adjusted our business model, focusing primarily on revenue growth and operating efficiency. Throughout the year we took steps to ensure that our strategies were effective and sustainable.

For the financial year 2000-2001, revenue grew to HK\$198 million, up 194% compared with the previous year. This increase in revenue can be attributed mainly to the launch of new services and the opening of MEGA-iAdvantage in February 2001. Losses for the year under review were HK\$171 million as against HK\$47 million in the previous year, largely as a result of heavy start-up costs and one-off charges.

Operating expenditures

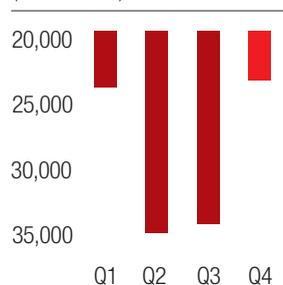
(in HK\$'000)
include R&D, selling, general and administrative expenses



Despite the difficult operating environment, SUNeVision achieved steady growth in its financial performance during the year. In the fourth quarter our gross margin turned positive for the first time, an indicator that we are moving towards breakeven. In the same quarter, revenue was HK\$63 million, an increase of 16% compared with the previous quarter, a growth trend we expect to maintain as we focus on our core competencies. In the fourth quarter, operating losses were reduced by 29% compared with the previous quarter. Throughout the year we exercised prudent financial management and as a result we achieved a 24% reduction in operating expenses from the first quarter to the fourth quarter, while revenue grew by 95% in the same period.

Loss from operations

(in HK\$'000)



Going forward, we will focus in the next few months on ensuring scalability in our operations and on monetising our user-base. Our ongoing critical review of each business unit's scalability will ensure improvements in SUNeVision's financial performance. Given our strong financial position with HK\$1.87 billion in cash and interest bearing securities, our sustainable business model and our first class management expertise, SUNeVision is well positioned to achieve market leadership in the Internet infrastructure and enabling services sector in Asia.

The following is a detailed report of our business operations.

**Internet
Infrastructure
Provider**

iAdvantage

For iAdvantage, the year was characterised by unprecedented pressures on its clients as a direct result of the slowdown in the information technology sector. However, it maintained top market share as a provider of quality Internet infrastructure and data centres. During the year, iAdvantage launched a number of value-added services, including Server Load Balancing in collaboration with Nortel Networks, Managed Firewall with Cisco, Internet Content Delivery Solutions with Mirror Image and e-Commerce Accelerator Services with Intel.



Following initial successes in leasing ONE-iAdvantage in Millennium City in Kwun Tong and JUMBO-iAdvantage in Tsuen Wan, the 350,000 sq. ft. MEGA-iAdvantage in Chai Wan with its superior specifications opened for business in February 2001. Overall occupancy remained satisfactory despite the

closure of iAsiaWorks in Hong Kong. Leasing at our data centres in China continued to make steady progress with particularly strong performance in Beijing.

iAdvantage now moves forward into an operating climate that will see further consolidation in the information technology sector. With the capital-intensive period over, iAdvantage's tightly managed operating costs will enable it to overcome such challenges. In addition, iAdvantage's high standard of service means that it will emerge stronger than ever from the industry shakedown.

Super e-Technology

Super e-Technology maintained its position as a key industry player in Hong Kong, and its broadband connectivity at the end of the year was available to 46,693 households. In security surveillance, Super e-Technology drew on its experience in large scale project design to generate steady business growth. Despite pressure on gross margins, targeted revenue and profitability were achieved by diligent attention to operating costs.



Going forward, Super e-Technology will seek potential growth areas by maximising the utilisation of SMATV networks, partnerships in telecommunications projects and the application of technologies to its security surveillance offerings.

Super e-Network

During the year, Super e-Network designed, supplied, operated and maintained broadband voice/data networks and related consultancy services for a number of quality residential developments. Noteworthy installations were completed at Royal Peninsula and Phase 1 of Ocean Shores in June 2001. Projects in progress included installations at Oscar by the Sea, Prima Villa and Leighton Hill.

Looking ahead to 2001-2002, Super e-Network is expected to make a positive contribution to the company's bottom line.

**Business
Enabling
Service**

Super-Office

In line with market needs at the time of its launch in August 2000, Super-Office began operations as an ASP (application service provider), and has established a solid customer base ranging from medium-sized companies to multinational corporations in Hong Kong.

Continuing to move with rapidly changing market demand, Super-Office has since achieved considerable success as a provider of client IT projects. Among its larger scale contracts have been projects for manufacturing and distribution enterprises, and it launched a pioneering approach in developing software in mobile work force automation solutions.

Super-Office moves into the coming financial year with a healthy order backlog, and seeks growth in scale and an improvement in margins.

**Consumer
Enabling
Service**

SuperHome

Throughout the year, SuperHome increased its range of products and services, including Forums, Unified Messaging Services, SuperPhotos and E-Learning. This offered the estate management offices a powerful means to enhance service to residents in the estates under their management.

In an agreement with the Mass Transit Railway Corporation (MTRC), SuperHome provided an electronic management system and community websites to MTRC-managed residential developments, including Tierra Verde on Tsing Yi, Island Harbour View, Tung Chung Crescent and the Waterfront. Among the many leading brands joining SuperHome as merchant partners were Dell Computer, IBM, Dairy Farm, Giordano and The Garden Company.

Looking ahead, SuperHome is confident that it will increase its penetration of residential estates throughout Hong Kong and that it can develop its expertise into further new application areas, while leveraging its core domain knowledge in real estate management services.

SuperStreets

During the year, SuperStreets launched new services to more than 145,000 registered users. Each of its three streets enjoys close synergies with SuperHome and with the property activities of SUNeVision's parent company, Sun Hung Kai Properties.

Mortgage Experts, launched by PropertyStreet and BankingStreet in July 2000, is already the market leader in terms of the value of mortgages facilitated by the end of the year. Other property-related activities included interior design



referral and a professional property valuation service in partnership with leading property consultant DTZ Debenham Tie Leung.



Recognised as one of Hong Kong's most powerful brands, PropertyStreet was selected by the Hong Kong Management Association as one of the winners of the prestigious HKMA/TVB Marketing Excellence 2001 Award. Its "Three Piggies" television commercial was judged among the Top Ten Commercials in Hong Kong and won the Best of the Best Commercials Award at the 7th Annual Most Popular TV Commercial Awards organised in March 2001 by Asia Television and the Hong Kong Advertising Association.

SuperStreets looks forward to launching more valuable new services and tools in the short and medium term in order to leverage its vast property industry experience.

Red-Dots

Red-Dots remained Hong Kong's leading online auctioneer with a record 130,000 registered users, and more than 330 merchants including United Airlines and Dell Computer, as well as 480 categories of products on offer. In October 2000, Red-Dots was recognised as "The Best Online Retail Site" awarded by MEDIA.

During the year, Red-Dots also provided technical expertise for e-commerce exchange platforms and developed e-marketing programmes for Coca-Cola and HSBC's iCAN credit card. In addition, Red-Dots developed and supplied a comprehensive web-based property management solution (PEM) to local industry practitioners.

In the coming year, Red-Dots will monetise its auction customer base and focus on growing in scale through strategic partnerships and alliances as well as extending its specialist consultancy services to increase revenue.

Investments**Venture Capital**

The venture capital group invested in selected quality companies in synergy with SUNeVision's operating businesses in Greater China. It worked with the management of its portfolio companies to help define strategy and ensure timely project implementation.

Early in the year, SUNeVision co-invested in ChinaCast Technology, a key enabler of China's rapidly expanding nationwide broadband Internet services, and led investment in i-Security Solutions - a company specialising in advanced cryptography products and solutions primarily for Asian markets. A further addition to the portfolio was Silicon Valley-based Anabas - a leading provider of collaborative software platforms. SUNeVision also took a lead investment position in the second round funding for Legend Silicon, a California-based company with a new and robust chip-embedded wireless transmission technology.

With its strong presence in Hong Kong, China and Silicon Valley, the venture capital team looks forward to adding further value to its portfolio of companies.

YEN SHIAO HUA, SHERIDAN

Managing Director

Hong Kong, 17 September 2001

Progress against Business Objectives

The following is a comparison of the actual business progress for the six months ended 30 June 2001 and the business objectives as set out in the prospectus dated 6 March 2000. SUNeVision reviews its business objectives and strategies on an ongoing basis and makes adjustments as necessary.

Business objectives for the review period as set out in the prospectus

Actual business progress in the review period

iAdvantage	Target to add 100,000 sq ft to the facilities in Beijing and Shanghai.	iAdvantage has not yet added any facilities in Beijing and Shanghai but will add additional space when there is demand.
	Expect to launch a facility in Taiwan of up to 20,000 sq ft.	In view of the market slowdown, iAdvantage is reviewing its expansion plans into Taiwan.
	Aim to establish 4 points of presence for its existing Asian customers in 4 cities in the United States, which may include Los Angeles, Boston, San Jose and New York.	US presence has not been set up although establishing points of presence in the US remains an objective for iAdvantage.
	Hope to form strategic alliances with other global co-location service providers as well as software and/or hardware solutions providers to enhance the services provided to customers.	Formed alliances with leading solutions providers such as IBM, Mirror Image and Intel and has continued to work closely with companies such as Cisco and Nortel. iAdvantage is a founding shareholder in C2C cable consortium led by SingTel.
Super e-Technology <i>formerly known as Sun Technology</i>	Intend to continue to market its SMATV and security surveillance businesses to developers and property owners.	Continued to market its SMATV and security surveillance systems to developers and property owners.
	Expand the number of units/buildings whose SMATV networks and security surveillance systems are installed and/or maintained by Super e-Technology.	Super e-Technology signed the contracts for 4 CABD/SMATV installation, 5 SMATV maintenance, 3 security surveillance installation, 10 security surveillance maintenance as well as 2 IT installation ones.
	Intend to continue to broadband-enable progressively existing SMATV networks.	A total of 23 sites have been completed and 25,735 apartments connected, making a total of more than 46,693 broadband-enabled households.

Business objectives for the review period as set out in the prospectus

Actual business progress in the review period

	<p>As digital broadcasting was predicted to become increasingly prevalent, an increasing amount of modification work might be needed to enable the SMATV networks to be capable of receiving and transmitting both digital and analogue broadcasting.</p>	<p>The switch to digital broadcasting did not happen and therefore there was no need to enable the SMATV networks to be capable of receiving and transmitting both digital and analogue broadcasting.</p>
	<p>Increase staff levels to cope with the expanding businesses.</p>	<p>The existing number of staff was sufficient to cope with the expanding business.</p>
<p>Super e-Network <i>formerly known as iHon</i></p>	<p>Continue to seek contracts to design, maintain and install fibre optic and other broadband infrastructure networks in residential and commercial developments.</p>	<p>Completed the installation of a fast ethernet infrastructure in two residential projects, namely Royal Peninsula in Hung Hom and Phase 1 of Ocean Shores in Tseung Kwan O. Three other estates with the same infrastructure are due to be completed by August, December 2001 and mid-2002 respectively.</p> <p>Generated additional revenue by designing and implementating two Estate Management Office (EMO) broadband service packages amounting to HK\$1 million. Two other similar EMO broadband service packages will be offered in the next few months.</p>
<p>Super-Office</p>	<p>Intend to commence marketing <i>super-office.net</i> service to all broadband-enabled office buildings in Hong Kong by using a dedicated team of direct sales agents.</p>	<p>Launched marketing efforts in promoting Super-Office's suite of services, including <i>super-office.net</i> to broadband-enabled buildings in Hong Kong through a direct sales force and gained marketing support from partnerships with a number of broadband Internet Service Providers.</p>
	<p>Continue to work on the existing functionality of the service and seek additional application software providers.</p>	<p>Adding to its suite of Enterprise Resource Planning applications, Super-Office launched its Mobile Sales Force Automation solutions targeting the manufacturing and distribution industries.</p>
	<p>Increase staffing in order to meet the increased marketing and technical support requirements.</p>	<p>There was no immediate need to increase staffing as the organisation was fully integrated with sales and marketing professionals, solutions specialists as well as application and service development consultants.</p>

Progress against
Business Objectives
continued

	<i>Business objectives for the review period as set out in the prospectus</i>	<i>Actual business progress in the review period</i>
SuperHome	Intend to continue to roll out <i>superhome.net</i> to new and existing residential blocks in Hong Kong.	SuperHome has already rolled out services in residential blocks in various parts of Hong Kong.
	Aim at providing <i>superhome.net</i> service to at least 250,000 apartments in Hong Kong.	As of 30 June 2001, SuperHome had more than 90,000 registered users, while all 145,000 registered users of SuperStreets can access SuperHome services as SuperStreets are content channels for SuperHome.
	Expect to provide <i>superhome.net</i> service to mobile telephones if WAP technology has become widely used.	WAP service will be available to residents of The Belcher's, a new luxury residential development in Hong Kong's Mid-Levels.
	Intend to enable <i>superhome.net</i> to be viewed in English.	An English language version of the estate management system was launched in the fourth quarter. SuperHome users can now have a choice of using either the Chinese or English interface.
	Intend to increase the number of content providers in order to expand and improve the content of its service.	<i>superhome.net</i> is offering a full range of contents and services to its users as well as the management offices of apartments powered by SuperHome's estate management system.
SuperStreets	Expect to have commenced the process of developing new streets to be added to the existing portfolio of vertical portals.	In light of the changing market conditions, the focus for SuperStreets would be on further strengthening existing domain expertise as well as improving its services to more than 145,000 registered users.
	Expect to roll out an international section of PropertyStreet containing property price data relating to selected cities and countries including Mainland China.	Launching an international section of PropertyStreet remains an objective for SuperStreets, although the current focus is on increasing the portal's popularity as well as generating more revenue by developing new value-added services, such as interior design and e-valuations in Hong Kong.
	Expect to launch an English language version of BankingStreet.	Launching an English language version remains an objective for BankingStreet, although the current emphasis is on working closely with PropertyStreet and participating banks to provide mortgage services to thousands of home buyers in Hong Kong.

Business objectives for the review period as set out in the prospectus

Actual business progress in the review period

Red-Dots	<i>Business objectives for the review period as set out in the prospectus</i>	<i>Actual business progress in the review period</i>
	Propose to establish its Internet auction service for the sale and purchase of Chinese art and antiques.	Lined up with Chinese art and antique sellers to offer such kind of products on its site.
	Expand its business-to-business trading platform by marketing the product to new businesses.	Since the third quarter of FY00/01, Red-Dots has started to provide technical expertise for corporate clients to operate business-to-business trading platforms.
	Seek to develop and enhance its technology, products and services with consistent developments in the Internet services market.	Further improved the number of products and the range of services, such as inter-centre transfer of products for customers' pickup which proved popular particularly with high value products.
	Establish a representative office in Mainland China to access business opportunities for Red-Dots' services.	In light of the current unfavourable market conditions, the plan to set up a representative office in Mainland China has been postponed.
	Increase staff numbers to cope with the growth in the business.	Maintained the same number of staff in an effort to lower operating costs, while adjusting their roles and responsibilities to achieve higher efficiency.

Use of proceeds

The net proceeds from the public listing have been applied as follows:

Up to 30 June 2001	HK\$M
By iAdvantage for:	
- JUMBO-iAdvantage	155
- MEGA-iAdvantage	456
- centres in Greater China and international locations	151
- working capital and capital investments	249
	<hr/> 1,011
Funding of Internet services subsidiaries	202
Investments	131
Working capital	118
	<hr/> 1,462

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

Kwok Ping Luen, Raymond aged 48
Chairman and Chief Executive Officer

Mr Kwok was appointed a director of the Company on 29 January 2000 and has been with the Sun Hung Kai Properties Group for 23 years. He is Vice Chairman and Managing Director of SHKP, Chairman of SmarTone Telecommunications Holdings Ltd and a director of The Kowloon Motor Bus Holdings Ltd, Route 3 (CPS) Company Ltd and Airport Freight Forwarding Centre Company Ltd.

In civic activities, Mr Kwok is a non-executive director of the Securities and Futures Commission, a director of The Real Estate Developers Association of Hong Kong, a member of the General Committee of The Hong Kong General Chamber of Commerce, a member of the Hong Kong Port and Maritime Board and Vice Chairman of the Council of The Chinese University of Hong Kong. He is also a member of the Advisory Council of One Country Two Systems Research Institute Ltd and Chairman of the Management Committees of the Police Children's Education Trust and the Police Education and Welfare Trust. Mr Kwok is also a member of the Ninth Chinese People's Political Consultative Conference Beijing Committee.

Mr Kwok holds a Master of Arts degree in Law from Cambridge University, a Master's degree in Business Administration from Harvard University and an Honorary Doctorate degree in Business Administration from The Open University of Hong Kong.

Mr Kwok is the younger brother of Mr Walter Kwok Ping Sheung and Mr Thomas Kwok Ping Kwong.

Kwok Ping Sheung, Walter aged 50

Mr Kwok was appointed a director of the Company on 29 January 2000 and has been with the Sun Hung Kai Properties

Group for 27 years. He is the Chairman and Chief Executive of SHKP; a director of The Kowloon Motor Bus Holdings Ltd, US1 Holdings Ltd, Wilson Parking (HK) Ltd and Hung Cheong Import & Export Company Ltd. He is a director of The Real Estate Developers Association of Hong Kong and the Honorary Treasurer of the Federation of Hong Kong Hotel Owners. On the community front, Mr Kwok is a member of the National Committee of the Chinese People's Political Consultative Conference, Vice Chairman of the All China Federation of Industry and Commerce, and Chairman of the Former Directors Committee of the Hong Kong Community Chest. He holds a Master of Science degree in Civil Engineering from Imperial College, University of London, and is a member of the Institute of Civil Engineers.

Mr Kwok is the elder brother of Mr Thomas Kwok Ping Kwong and Mr Raymond Kwok Ping Luen.

Kwok Ping Kwong, Thomas aged 49

Mr Kwok was appointed a director of the Company on 29 January 2000 and has been with the Sun Hung Kai Properties Group for 24 years. He is the Vice Chairman and Managing Director of SHKP, Chairman of Route 3 (CPS) Company Ltd, joint Chairman of IFC Development Ltd and a director of US1 Holdings Ltd. He is currently an Executive Vice President of The Real Estate Developers Association of Hong Kong, a committee member of the Land Sub-Committee & Planning Sub-Committee of the Land and Building Advisory Committee, a Government appointed member of the Business Advisory Group, an Honorary Citizen of Guangzhou and a member of the Ninth Chinese People's Political Consultative Conference Shanghai Committee. Mr Kwok holds a Master's degree in Business Administration from London Business School, University of London, and a Bachelor's

degree in Civil Engineering from Imperial College, University of London.

Mr Kwok is the younger brother of Mr Walter Kwok Ping Sheung and the elder brother of Mr Raymond Kwok Ping Luen.

Yen Shiao Hua, Sheridan aged 45

Managing Director

Mr Yen was appointed a director of the Company on 3 July 2000. He has more than 16 years of management experience in the technology industry, spanning consulting, technical services and sales and marketing. Mr Yen started his career with Philips in the semiconductor industry in Sunnyvale, California. He established the Applied Materials Inc's direct office in Beijing in 1985. He held Managing Director positions for Mentor Graphics, Greater China and AspenTech, Asia. Both companies are in the IT industry. He then became involved in direct investment activities with United Pacific Industries Ltd as Executive Director of operating companies. Prior to joining SUNeVision, he was the Chief Operating Officer of SparkIce.com, one of the more prominent B2B e-commerce models developed in China. Mr Yen holds a Bachelor of Science degree in Chemical Engineering from the University of California at Berkeley.

Chan Kui Yuen, Thomas aged 55

Mr Chan was appointed a director of the Company on 29 January 2000 and joined the Sun Hung Kai Properties Group in 1973. Mr Chan has been an executive director of SHKP since 1987 and is also an executive director of a substantial number of subsidiaries of the Group. He is currently the Vice Chairman and Managing Director of SHKP (China) Ltd. Mr Chan graduated from The Chinese University of Hong Kong with a Bachelor of Commerce in 1971.

Wong Yick Kam, Michael aged 49

Mr Wong was appointed a director of the Company on 29 January 2000. He has been with the Sun Hung Kai Properties Group

for 20 years and is currently an executive director of SHKP. Mr Wong's responsibilities in SHKP include strategic and corporate planning, infrastructure project development and financial investments. He is also a non-executive director of RoadShow Holdings Ltd. Mr Wong obtained his Bachelor of Business Administration and Master of Business Administration from The Chinese University of Hong Kong.

Leung Kui King, Donald aged 45

Mr Leung was appointed a director of the Company on 29 January 2000 and has been with the Sun Hung Kai Properties Group since 1986. Mr Leung holds the position of Manager and Assistant to Chairman at Sun Hung Kai Properties Ltd. Prior to that, Mr Leung was with Wardley Ltd and Bank of America in Hong Kong and Los Angeles. Mr Leung is a director of Wilson Parking (Hong Kong) Ltd. Mr Leung earned a Bachelor of Science degree in Business Administration from the University of California at Berkeley and completed the Advanced Management Program at Harvard University Graduate School of Business.

So Chung Keung, Alfred aged 52

Mr So was appointed a director of the Company on 29 January 2000 and joined the Sun Hung Kai Properties Group in 1978. He is currently an executive director of Sun Hung Kai Real Estate Agency Ltd, a subsidiary of SHKP. Mr So has been instrumental in the development of SuperHome and SuperStreets. He is a member of the Hong Kong Institute of Real Estate Administration and obtained his Estate Agent's Licence (Individual) in 1999. Mr So is a committee member of the Corporate & Employee Contribution Programme (Property Group) Organising Committee of the Community Chest of Hong Kong. Mr So received a Master of Science degree in Mathematics from the University of Toronto.

Tung Chi Ho, Eric aged 42

Mr Tung was appointed a director of the Company on 29 January 2000 and has been with the Sun Hung Kai Properties Group for 14 years. He served as Project Director for various large-scale residential, commercial and mixed developments and oversaw the completion of data centres for major tenants such as JP Morgan and ING Barings. He is an executive director of the Sun Hung Kai Real Estate Agency Ltd, and is also the President and Chief Executive Officer of iAdvantage Ltd. Mr Tung is a member of both the Hong Kong Institute of Architects and Royal Institute of British Architects and is a Registered Architect in Hong Kong and an Authorised Person (List One) with the Building Department. Mr Tung is a graduate of the Architectural Programme of the University of Hong Kong.

Wong Chin Wah, Jimmy aged 52

Mr Wong was appointed a director of the Company on 29 January 2000 and is the Chief Executive Officer of Super e-Technology and Managing Director of Red-Dots. His experience in infrastructure network technology commenced in early 1993 when he was appointed Chief Executive Officer of Super e-Technology. In July 1999, as Managing Director of Red-Dots, he led a team of IT professionals to develop SHKP Group's first e-commerce site in Hong Kong which was launched in October 1999. Mr Wong has held senior management positions in the Development Bank of Singapore, Mass Transit Railway Corporation and the SHKP Group. Mr Wong received a Bachelor of Science (Estate Management) degree in 1976 from the National University of Singapore.

Tung Yiu Kwan, Stephen aged 46

Mr Tung was appointed a director of the Company on 29 January 2000 and is now Chief Executive Officer of SuperHome and SuperStreets. Mr Tung has worked for international and local corporations in North America and Greater China including

Philip Morris Inc, McCann Erickson Canada, and Leo Burnett Greater China. Prior to joining SHKP in April 1997, Mr Tung accumulated extensive experience in management, marketing, advertising and operation, and has worked with some of the world's most valuable brands such as Marlboro and Coca-Cola. Mr Tung graduated from Syracuse University in New York with a Master of Science degree.

Chang, Frederick Hubert aged 33

Mr Chang was appointed a director of the Company on 15 February 2001. Mr Chang has been involved with strategic and operational execution issues for SUNeVision Holdings while building the venture capital business of the Group with offices in Hong Kong, San Francisco, Beijing and Shanghai. Prior to joining SHKP in February 2000, Mr Chang was with the Technology & Communications Group of GE Equity, the private equity arm of GE Capital, where he helped spearhead the firm's Silicon Valley office. Mr Chang's other work experiences include ING Barings Private Equity and McKinsey & Company. Mr Chang holds a Bachelor's degree from the University of Michigan and a joint MA/MBA degree in International Relations from the Lauder Institute and the Wharton Graduate School of Business at the University of Pennsylvania.

NON-EXECUTIVE DIRECTOR

Cheung Wing Yui aged 51

Mr Cheung was appointed a director of the Company on 29 January 2000. Mr Cheung is a director of seven other publicly listed companies. He is the Vice Chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong and is a Council Member of The Open University of Hong Kong. Mr Cheung received a Bachelor of Commerce degree in Accountancy from the University of New South Wales, Australia. Mr Cheung is a certified practising accountant of the Australian Society of CPAs. He has been a practising solicitor in Hong Kong since 1979 and is a partner of the law firm Woo, Kwan, Lee & Lo. He was admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore.

INDEPENDENT
NON-EXECUTIVE DIRECTORS

Kao Kuen, Charles aged 67

Professor Kao was appointed a director of the Company on 29 January 2000. He is the Chairman and Chief Executive Officer of ITX Services Ltd, which offers consulting services and is currently on the Boards of several high-tech companies. Professor Kao was a pioneer in the field of optical fibre communications in the 1960s while working at the ITT research facility, Standard Telecommunications Laboratories in the UK. More recently, Professor Kao was the Vice Chancellor (President) of The Chinese University of Hong Kong and is currently a member of a number of advisory committees of the HKSAR Government. His international honours and awards include the Stewart Ballantine Medal, Rank Prize, L.M. Ericsson International Prize, Alexander Graham Bell Medal, Marconi International Fellowship, Faraday Medal of IEE, the Japan Prize and the Charles Stark Draper Prize.

Li On Kwok, Victor aged 47

Professor Li was appointed a director of the Company on 29 January 2000. He is the Chair Professor of Information Engineering at the University of Hong Kong (HKU), and Managing Director of Versitech Ltd, the HKU technology transfer company. Prior to joining HKU, Professor Li was Professor of Electrical Engineering at the University of Southern California (USC), and Director of the USC Communication Sciences Institute. Professor Li has chaired various committees of international professional organisations such as the Institute of Electrical and Electronic Engineers (IEEE). Professor Li received his bachelor's, master's, engineer's and doctoral degrees in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology in 1977, 1979, 1980 and 1981, respectively.

Zhang Shoucheng, Steven aged 38

Professor Zhang was appointed a director of the Company on 8 June 2000. He is

currently a full professor of Physics at Stanford University in the US, while maintaining very close ties to technological research and investment in China. Prior to joining the faculty at Stanford, Professor Zhang spent four years as a senior researcher at IBM, where he was given the Outstanding Innovation Award for his research in semiconductor physics. He currently also holds the Chang-Jiang Chair Professorship at Tsinghua University in Beijing. Professor Zhang has a keen interest in promoting the exchange of science and technology between China and the US. He is a senior advisor to the Pudong New Development Area in Shanghai, and is Chairman of the Technology Advisory Board of the W1 Harper Investment group, which manages an extensive and highly successful portfolio of technology investments in the US and China. Professor Zhang received his Master's degree from the Free University of Berlin and his PhD from the State University of New York at Stony Brook.

SENIOR MANAGEMENT

Tsim Wing Kit, Alfred aged 37

Group Financial Controller

Mr Tsim is responsible for the overall financial planning and management of the Company. He has more than 13 years experience in accounting and finance. Prior to joining the Group in February 2000, he was an Assistant General Manager with Cable & Wireless HKT Mobile Service. He is a member of the Hong Kong Society of Accountants, the Association of Chartered Certified Accountants, United Kingdom, CPA Australia and CMA Canada. Mr Tsim received his undergraduate degree from the City University of Hong Kong, a Master of Business Administration degree from the University of Sydney and a Diploma in Management Accounting from The Chinese University of Hong Kong.

The directors present their annual report and the audited financial statements of the Group and of the Company for the year ended 30 June 2001.

Principal Activities

The Company is an investment holding company. Details of the Company's principal subsidiaries, associate and jointly controlled entity, including their respective principal activities, are set out in notes 35, 16 and 17 respectively to the financial statements.

As over 90% of the consolidated turnover and trading results of the Group for the year is derived in Hong Kong, an analysis of the consolidated turnover and trading results of the Group by geographical location is not presented.

Analysis of the Group's turnover and operating results by principal activities is set out on page 108 of the annual report.

Results

The results of the Group for the year ended 30 June 2001 are set out in the consolidated income statement on page 69 of the annual report.

The directors do not recommend the payment of a dividend for the year.

Financial Summary

A summary of the results of the Group for each of the four years ended 30 June 2001 is set out on page 1 of the annual report.

Share Capital and Share Options

Details of movements in the authorised and issued share capital of the Company during the year are set out in note 23 to the financial statements.

Details of the share option schemes of the Company and its subsidiaries are set out in note 24 to the financial statements.

Reserves

Details of movements in the reserves of the Group and of the Company during the year are set out in note 25 to the financial statements.

Investment Properties

The investment properties were revalued at 30 June 2001 and the resulting deficits on these revaluation of HK\$30,306,000 have been charged to the consolidated income statement.

Details of the movements during the year in the investment properties of the Group are set out in note 13 to the financial statements.

Property, Plant and Equipment

During the year, properties under development of HK\$390 million were completed and transferred to land and buildings. Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 14 to the financial statements.

Properties

Particulars of properties held by the Group at 30 June 2001 are set out in page 106 of the annual report.

Directors and Directors' Service Contracts

The directors of the Company during the year and up to the date of this report were:

EXECUTIVE DIRECTORS

Kwok Ping Luen, Raymond	Tung Chi Ho, Eric
Kwok Ping Sheung, Walter	Wong Chin Wah, Jimmy
Kwok Ping Kwong, Thomas	Tung Yiu Kwan, Stephen
Yen Shiao Hua, Sheridan <i>(appointed on 3 July 2000)</i>	Frederick Hubert Chang <i>(appointed on 15 February 2001)</i>
Chan Kui Yuen, Thomas	Ho Chi Lam, Alfred
Wong Yick Kam, Michael	<i>(resigned on 15 February 2001)</i>
Leung Kui King, Donald	Hui Ho Ming, Herbert
So Chung Keung, Alfred	<i>(resigned on 14 November 2000)</i>

NON-EXECUTIVE DIRECTOR

Cheung Wing Yui

INDEPENDENT NON-EXECUTIVE DIRECTORS

Kao Kuen, Charles
Li On Kwok, Victor
Zhang Shoucheng, Steven

In accordance with Article 116 and 99 of the Company's Articles of Association, Messrs. Thomas Kwok Ping Kwong, Thomas Chan Kui Yuen, Michael Wong Yick Kam, Cheung Wing Yui and Frederick Hubert Chang will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Other than Messrs. Sheridan Yen Shiao Hua and Frederick Hubert Chang, each of the executive directors has entered into a service agreement with the Company. Each agreement is for a period of three years commencing on 1 March 2000 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice.

The term of office of each of the non-executive directors is for the period up to 31 December 2002.

Save as disclosed above, none of the directors being proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

During the year, the Group had certain transactions with Sun Hung Kai Properties Limited ("SHKP") and its affiliates other than members of the Group. Details of these transactions are set out in note 26 to the financial statements. Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong have a beneficial interest in SHKP.

In addition, Mr. Cheung Wing Yui is a partner of Woo, Kwan, Lee & Lo, a solicitors firm which provided professional services to the Group and charged usual professional fees during the year.

Save as disclosed above, there was no contract of significance to which the Company or its holding companies or any of its fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, which subsisted at the end of the year or at any time during the year.

Directors' Interests in Securities

As at 30 June 2001, the interests of the directors and their associates in the securities of the Company and its associated corporations ("securities" and "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 as required, pursuant to rules 5.40 to 5.59 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

1. The Company's shares

Name of Directors	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total No. of Shares
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
Yen Shiao Hua, Sheridan	50,000	–	–	–	50,000
So Chung Keung, Alfred	416	543	–	–	959

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

2. SHKP shares

Name of Directors	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total No. of Shares
Kwok Ping Luen, Raymond	–	1,000	–	1,074,985,895 *	1,074,986,895
Kwok Ping Sheung, Walter	–	–	–	1,073,792,522 *	1,073,792,522
Kwok Ping Kwong, Thomas	1,901,281	304,065	–	1,071,842,214 *	1,074,047,560
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: These are deemed interests (by virtue of the SDI Ordinance) of Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong. On these shares in SHKP, 1,051,808,347 shares represent the same interests and are therefore duplicated amongst these 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: These are deemed interests (by virtue of the SDI Ordinance) because these securities are held by companies in which Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong are entitled to control the exercise of one third or more of the voting rights at the general meetings.

(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 (“SmarTone”).

(D) Professor Victor Li On Kwok had family interests of 5,000 ordinary shares in the equity securities of SmarTone.

Save as disclosed in sub-sections 1, 2 and 3 above, none of the directors and their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations (as defined in the SDI Ordinance) as recorded in the register as at 30 June 2001 maintained under Section 29 of the SDI Ordinance or which are required, pursuant to rules 5.40 to 5.59 of the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), to be notified to the Company and the Stock Exchange.

4. The Company’s share options

The Group operates three share option schemes, details of which are set out in note 24 to the financial statements. Certain directors of the Company were granted share options for nominal consideration to subscribe for shares in the Company. Details of the options granted to directors of the Company are as follows:

Directors' Report
continued

Name of Directors	Date of grant	Exercise Price HK\$	Balance as at 1.7.2000	Number of share options		Balance as at 30.6.2001
				Granted during the year	Cancelled during the year	
Kwok Ping Luen, Raymond	28.3.2000	10.38	755,000	–	–	755,000
	7.4.2001	2.34	–	350,000	–	350,000
Kwok Ping Sheung, Walter	28.3.2000	10.38	415,000	–	–	415,000
	7.4.2001	2.34	–	180,000	–	180,000
Kwok Ping Kwong, Thomas	28.3.2000	10.38	415,000	–	–	415,000
	7.4.2001	2.34	–	180,000	–	180,000
Yen Shiao Hua, Sheridan	30.11.2000	3.885	–	450,000	–	450,000
	7.4.2001	2.34	–	350,000	–	350,000
Chan Kui Yuen, Thomas	28.3.2000	10.38	510,000	–	–	510,000
	7.4.2001	2.34	–	180,000	–	180,000
Wong Yick Kam, Michael	28.3.2000	10.38	360,000	–	–	360,000
	7.4.2001	2.34	–	180,000	–	180,000
Leung Kui King, Donald	28.3.2000	10.38	360,000	–	–	360,000
	7.4.2001	2.34	–	180,000	–	180,000
So Chung Keung, Alfred	28.3.2000	10.38	360,000	–	–	360,000
	7.4.2001	2.34	–	180,000	–	180,000
Tung Chi Ho, Eric	28.3.2000	10.38	360,000	–	–	360,000
	7.4.2001	2.34	–	180,000	–	180,000
Wong Chin Wah, Jimmy	28.3.2000	10.38	360,000	–	–	360,000
	7.4.2001	2.34	–	180,000	–	180,000
Tung Yiu Kwan, Stephen	28.3.2000	10.38	360,000	–	–	360,000
	7.4.2001	2.34	–	180,000	–	180,000
Frederick Hubert Chang	28.3.2000	10.38	260,000	–	–	260,000
	30.11.2000	3.885	–	190,000	–	190,000
	7.4.2001	2.34	–	180,000	–	180,000
Ho Chi Lam, Alfred (resigned)	28.3.2000	10.38	285,000	–	285,000	–
	30.11.2000	3.885	–	75,000	75,000	–
Hui Ho Ming, Herbert (resigned)	28.3.2000	10.38	720,000	–	720,000	–

Notes:

The options at the exercise price of HK\$10.38 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 exercise 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. SHKP share options

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

Name of Directors	The balance of SHKP Options as at 1.7.2000 and 30.6.2001 (both are)
Chan Kui Yuen, Thomas	150,000
Wong Yick Kam, Michael	150,000
So Chung Keung, Alfred	120,000
Tung Chi Ho, Eric	120,000

All the above options were granted and accepted on 15 February 2000 for nominal consideration and the exercise prices of all these options are HK\$70 per SHKP Share.

The options can be exercised up to one third during the second year of the option period, up to two thirds during the third year of the option period, and in whole or in part any time three years after the date of grant.

Save as disclosed in sub-sections 4 and 5 above, at no time during the year was the Company or any of its holding companies, fellow subsidiaries or 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 debt securities (including debentures) of, the Company or any other body corporate and none of the directors, or their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights during the year.

Substantial Shareholders

As at 30 June 2001, in addition to those interests as disclosed above in respect of the directors, according to the register of substantial shareholders required to be maintained under Section 16(1) of the SDI Ordinance, the Company had been notified of the following interests, being 10% or more in the issued share capital of the Company directly or indirectly:

Name	Number of Shares	Approximate percentage of holding
Sunco Resources Limited (“Sunco”)	1,715,033,000	84.34
SHKP (Note 1)	1,715,033,000	84.34
HSBC Holdings plc (Note 2)	1,717,240,763	84.45
HSBC Finance (Netherlands) (Note 2)	1,717,240,756	84.45
HSBC Holdings B.V. (Note 2)	1,717,240,756	84.45
HSBC Investment Bank Holdings B.V. (Note 2)	1,716,986,343	84.44
HSBC International Trustee Limited (Note 3)	1,716,986,343	84.44

Notes:

- As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,715,033,000 shares of the Company held by Sunco under the SDI Ordinance.
- 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 share in which HSBC International Trustee Limited was interested, 1,051,808,347 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 the substantial shareholders disclosed above, there is no other person who is directly or indirectly interested in 5% or more of the shares of the Company then in issue and who is able, as a practical matter, to direct or influence the management of the Company.

Sponsor's Interests

As at 30 June 2001, 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 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.

Connected Transactions

Certain subsidiaries of the Company have during the financial year ended 30 June 2001 entered into transactions with certain subsidiaries of SHKP and/or their respective associates (as defined in GEM Listing Rule 1.01). Sunco Resources Limited, the controlling shareholder of the Company holding as at 30 June 2001 approximately 84.34% of the total issued share capital of the Company, is a wholly owned subsidiary of SHKP, and the transactions entered into by the subsidiaries of the Company and the subsidiaries of SHKP and their respective associates are therefore connected transactions within the meaning of GEM Listing Rule 20.12 (1)(a).

Some of these connected transactions are the continuing connected transactions ("Continuing Connected Transactions") reported in the Company's prospectus dated 6 March 2000 ("Prospectus") and are reported here in compliance with GEM Listing Rule 20.34. Some are connected transactions made in this financial year ended 30 June 2001 and have been announced pursuant to GEM Listing Rule 20.24 and 20.35 ("Announced Connected Transactions") and are reported here pursuant to GEM Listing Rule 20.34. The others are connected transaction within the meaning of the GEM Listing Rule 20.23.

1. Continuing Connected Transactions

In respect of the Continuing Connected Transaction set out in page 37 to page 43 of the Prospectus, the Stock Exchange has by a letter dated 6 March 2000 ("Waiver Letter"), granted waiver to the Company from compliance with the announcement and shareholders approval requirements subject to compliance by the Company of certain conditions set out in pages 43 and 45 of the Prospectus. One of the conditions is to report these Continuing Connected Transactions in the Company's annual reports and accounts. The directors report these Continuing Connected Transactions as follows:

(A) Lease Arrangements

On 26 February 2000, the Company entered into a tenancy agreement with Perry Holdings

Limited, a wholly owned subsidiary of SHKP, to rent the premises situate at Rooms 2108 to 2119 of 21st Floor Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong for a term of three years commencing on 20 January 2000 at the monthly rent of HK\$110,862 exclusive of services charges, government rates and other outgoings.

On 2 February 2000, iAdvantage Limited (“iAdvantage”), a wholly-owned subsidiary of the Company, entered into a tenancy agreement with Beijing Sun Dong An Company Limited, an equity joint venture in which SHKP holds 50% equity interest, to rent or to nominate a fellow subsidiary to rent the premises situate at Units 809 to 817, 8th Level, Tower 1, Sun Dong An Plaza, 138 Wangfujing Avenue, Dongcheng District, Beijing for a term of six years commencing 1 May 2000 at the monthly rental of US\$11,090 for the period from 1 May 2000 to 30 April 2002, US\$12,199 for the period from 1 May 2002 to 30 April 2004, US\$13,308 for the period from 1 May 2004 to 30 April 2006, and with five options to renew the tenancy agreement each for three years thereafter at open market rent. All rentals are exclusive of air-conditioning, management fees and other outgoings. There is a rent free period of 12 months being the aggregate of the periods from 1 May 2000 to 31 August 2000, 1 May 2001 to 30 June 2001, 1 May 2003 to 30 June 2003, 1 May 2004 to 30 June 2004, and 1 May 2005 to 30 June 2005.

On 2 February 2000, iAdvantage entered into a tenancy agreement with Shanghai Central Plaza Property Co. Limited, a cooperative joint venture in which SHKP holds 70% equity interest, to rent or to nominate a fellow subsidiary to rent the premises situate at Level 37, Shanghai Central Plaza, 381 Huihai Central Road, Luwan District, Shanghai for a term of six years commencing from 1 April 2000 at the monthly rental of US\$17,891.55 for the period from 1 April 2000 to 31 March 2003, open market rent subject to a cap of about 35% of the rental for the third year for the period from 1 April 2003 to 31 March 2006, and with five options to renew the tenancy agreement each for three years thereafter at open market rent. All rentals are exclusive of air-conditioning, management fees and other outgoings. There is a rent-free period of six months being the aggregate of the periods from 1 April 2000 to 31 May 2000, 1 April 2001 to 31 May 2001, and 1 April 2002 to 31 May 2002.

On 26 January 2000, Sunevision Super e-Technology Services Limited (formerly known as “Sun Technology Services Limited”), a wholly-owned subsidiary of the Company entered into a tenancy agreement with Rainforce Limited and Donora Company Limited, both wholly owned subsidiaries of SHKP, to rent the premises situate at Units 4601, and 4620 to 4625, Level 46, Tower 1, Metroplaza, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong for a term of two years commencing from 9 March 1999 at a monthly rental of HK\$58,214 exclusive of government rates, management fees and air conditioning charges. The tenancy has expired since March 2001.

On 30 August 1999, Sunevision Super e-Technology Services Limited (formerly known as “Sun Technology Services Limited”) entered into a licence agreement with Estate-Care Property Management Limited (as agent for Panhard Limited, the registered owner), both wholly-owned subsidiaries of SHKP, to rent the premises situate at Ground Floor, Shield Industrial Centre, 84-92 Chai Wan Kok Road, Tsuen Wan, New Territories, Hong Kong for a term of two years commencing from 1 September 1999 at a monthly licence fee of HK\$4,600 exclusive of government rates and all other outgoings.

On 1 October 1999, Sunevision Red-Dots Limited (formerly known as “Red-Dots Limited”), a wholly-owned subsidiary of the Company, entered into a licence agreement with Delux Plan Enterprises Limited, a wholly-owned subsidiary of SHKP, to rent the premises situate at 3203,

32nd Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong for a term of three years commencing from 1 October 1999 at a monthly rental of HK\$32,800 exclusive of government rates, management fees and other charges.

On 26 February 2000, the Company entered into a tenancy agreement with Sun Hung Kai Real Estate Agency Limited (as agent for Biliboss Limited, the registered owner), both wholly-owned subsidiaries of SHKP, to rent the premises situate at Flat B, 30 Floor, Block 2, Pacific View, 38 Tai Tam Road, Tai Tam, Hong Kong for a term of three years commencing from 1 March 2000 at a monthly rental of HK\$70,000 exclusive of government rates and management fees.

On 26 February 2000, Sunvision e-Commerce Limited, wholly-owned subsidiary of the Company, entered into a tenancy agreement with Perry Holdings Limited, a wholly owned subsidiary of SHKP, to rent Rooms 1237 to 1240 of 12th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong for a term of three years commencing 5 January 2000 at a monthly rental of HK\$40,362 exclusive of rates, management and air conditioning charges with rent free period of two months from 5 January 2000 to 4 March 2000.

The aggregate consideration for the above Continuing Connected Transaction during the reporting year is HK\$6,264,000 which is less than HK\$6,667,800, the cap for this type of Continuing Connected Transaction set out in the Waiver Letter.

(B) Advertising and sales of Internet services

On 26 February 2000, the Company entered into an agreement with SHKP pursuant to which SHKP agrees to procure members of the SHKP Group to enter into advertising transactions and e-commerce transactions on the Internet with members of the Group for a term of three years commencing on the date of the agreement. The aggregate consideration for this category of Continuing Connected Transaction is HK\$10,576,000 for the financial year ended 30 June 2001, which is less than HK\$70 million, the cap set out in the Waiver Letter.

(C) Cable network services

On 26 February 2000, the Company entered into an agreement with SHKP pursuant to which the Company agrees to procure relevant members of the Group to provide design, installation and operation of SMATV and security surveillance systems and laying of network infrastructure in buildings owned and/or managed by the SHKP Group for a period of three years commencing from the date of the agreement. The aggregate consideration for this category of Continuing Connected Transaction is HK\$25,153,000 for the financial year ended 30 June 2001. There is not a cap for this type of Continuing Connected Transaction in the Waiver Letter.

(D) Network infrastructure and security surveillance system

On 26 February 2000, the Company entered into an agreement with SHKP pursuant to which the Company agrees to procure relevant members of the Group to provide maintenance and repair works for infrastructure network and security surveillance systems in buildings owned and/or managed by the SHKP Group for a term of three years commencing from the date of the agreement. The aggregate consideration for this category of Continuing Connected Transaction is HK\$27,879,000 for the reporting year. There is not a cap for this type of Continuing Connected Transaction in the Waiver Letter.

(E) Project management and construction services to the Group

On 26 February 2000, Weelek Company Limited, a wholly owned subsidiary of the Company, entered into an agreement with SHKP pursuant to which SHKP agrees to procure relevant members

of the SHKP Group to provide project management and construction works for the construction site at NO.399, Chai Wan Road, Hong Kong for a term of not more than three years. The construction works at the site has completed in the year and the aggregate consideration for this transaction is HK\$407,959,000, which is less than HK\$480 million, the cap for this Continuing Connected Transaction set out in the Waiver Letter.

On 26 February 2000, Top Merchant Investment Limited, a wholly owned subsidiary of the Company, entered into an agreement with SHKP pursuant to which SHKP agrees to procure relevant members of the SHKP Group to provide project management and construction works for the construction and renovation works of the site at NO.145-159 Yeung Uk Road, Tsuen Wan for a term of not more than three years. The construction works at the site has completed in the year and the aggregate consideration for this transaction is HK\$81,070,000, which is less than HK\$180 million, the cap for this Continuing Connected Transaction set out in the Waiver Letter.

(F) Property management services

The Group has engaged various subsidiaries of the SHKP Group to provide property management services to the properties owned by the Group and has for the financial year under report, incurred HK\$9,541,000 for such services. The cap for this kind of Continuing Connected Transaction is HK\$10 million per financial year as set out in the Waiver Letter.

(G) Insurance services

On 24 February 2000, the Company entered into an agreement with Sun Hung Kai Properties Insurance Limited (“SHKP Insurance”), a subsidiary of SHKP, pursuant to which SHKP Insurance agrees to provide insurance services to members of the Group for a period of three years commencing from the date of the agreement. The total considerations paid under this arrangement is HK\$1,566,000 for the financial year ended 30 June 2001 which is less than HK\$7 million, being the cap for this kind of services set out in the Waiver Letter.

The Directors confirm that each of the Continuing Connected Transactions has received the approval of the Board of Directors, has been entered into in accordance with the terms of the relevant agreement governing such transaction, and has not exceeded the relevant cap amount set out on Page 43 to Page 45 of the Prospectus.

2. Announced Connected Transactions

During the year ended 30 June 2001, the Company has announced three new connected transactions. The aggregate considerations for all three transactions exceeds 0.03% but are less than 3% of the net tangible assets of the Company at the material time and accordingly these transactions are exempted from independent shareholders’ approval pursuant to GEM Listing Rule 20.24. The following sets out the details of these three connected transactions in accordance with GEM Listing Rule 20.34:

On 4 October 2000, Sunevision Super-office (H.K.) Limited (formerly known as “Super-office.Net (H.K.) Limited”), an indirectly wholly owned subsidiary of the Company entered into a tenancy agreement with Perry Holdings Limited, a wholly owned subsidiary of SHKP, to rent the premises situate at Rooms 715-37, 7th floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong for a term of three years commencing on 1 October 2000 and expiring on 30 September 2003 at the monthly rent of HK\$223,600, HK\$232,200, and HK\$240,800 for the first, second and third years respectively exclusive of services charges, government rates and other outgoings. The rent free period is three and a half months and the service charges which is subject to revision

is at HK\$50,310 per month. An announcement about the agreement was published on the GEM website on 4 October 2000 pursuant to GEM Listing Rule 20.35.

On 7 March 2001, iAdvantage Limited, an indirectly wholly owned subsidiary of the Company entered into a tenancy agreement with Hopley International Limited, a wholly owned subsidiary of SHKP, to rent the premises situate at Units 10-18, 7th floor, Tower 1, NO.388 Kwun Tong Road, Millennium City, Hong Kong at the monthly rent of HK\$168,624 exclusive of services charges, government rates and other outgoings for a term of two years and eight months commencing from 1 March 2001 and expiring on 31 October 2003 with an option to renew for a further 3 years at the then open market rental. The service charges, which is subject to revision is at HK\$3.5 per square foot gross per month. An announcement about the agreement was published on the GEM website on 8 March 2001 pursuant to Rule 20.35.

On 14 May 2001, Sunevision Super e-Technology Services Limited, an indirectly wholly owned subsidiary of the Company entered into a tenancy agreement with Rainforce Limited and Donora Company Limited, both wholly owned subsidiaries of SHKP, to rent the premises situate at Units 4601, 4620-4625 on Level 46, Tower 1, Metroplaza, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong for a term of two years commencing from 9 March 2001 and expiring on 8 March 2003 at the monthly rent of HK\$82,843 exclusive of services charges, government rates and other outgoings. The service charges, which is subject to revision, is at HK\$3.3 per square foot gross per month. An announcement about the agreement was published on the GEM website on 14 May 2001 pursuant to GEM Listing Rule 20.35.

3. Confirmation and approval from the independent non-executive directors

The independent non-executive directors of the Company have reviewed the above continuing and other connected transactions and confirmed that these connected transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms and in accordance with the relevant agreements governing them, and on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

Competing Interests

Mr. Raymond Kwok Ping Luen, the Company's Chairman and Chief Executive Officer, is also the Chairman of 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.

The independent non-executive directors of the Company, Professor Charles Kao Kuen, Professor Victor Li On Kwok and Professor Steven Zhang Shoucheng are well recognised 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.

Major Customers and Suppliers

The five largest suppliers of the Group accounted for less than 30% of its operating costs for the year.

During the year, the five largest customers of the Group accounted for about 39% of the turnover of the Group and the largest customer, being SHKP Group, accounted for about 16% of the total turnover.

AsianE2E.com Limited, being one of the five largest customers as referred to above is an associate of the Company.

At 30 June 2001, Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong had beneficial interests in SHKP Group.

Save as disclosed above, none of the directors, their respective associates and shareholders of the Company (which to the knowledge of the directors own more than 5% of the issued capital of the Company) had any interest in any of the five largest customers of the Group for the financial year ended 30 June 2001.

All transactions between the Group and its customers were carried out on normal commercial terms.

Purchase, Sale or Redemption of The Company's Listed Securities

During the year, the Company repurchased certain of its own shares through the Stock Exchange, details of which are set out in note 23 to the financial statements. The directors considered that as the share prices did not reflect the value of the shares, the repurchases would be beneficial to the Company.

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.

During the year, the audit committee held four meetings and performed the following duties:

1. reviewed and commented on the Company's annual report, half-yearly report and quarterly reports;
2. reviewed and commented on the Company's internal control system;
3. met with external auditors and discussed the financial matters of the Company arose during the course of the audits for the years ended 30 June 2000 and 30 June 2001; and
4. participated in the re-appointment and assessment of the performance of the external auditors.

Pension Scheme

All subsidiaries of the Group have participated in the SHKP MPF Employer Sponsored Scheme in providing retirement benefit to qualified employees since December 2000. The Group strictly complies with the Mandatory Provident Fund Ordinance in making mandatory contributions and allows qualified employees to elect making voluntary contributions to the Scheme.

Donations

During the year, the Group made charitable and other donations amounting to approximately HK\$138,000.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

Auditors

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors.

On behalf of the Board

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer
17 September 2001

To the Shareholders of SUNeVision Holdings Limited
incorporated in the Cayman Islands with limited liability

We have audited the financial statements on pages 69 to 105 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2001 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

DELOITTE TOUCHE TOHMATSU
Certified Public Accountants
Hong Kong, 17 September 2001

Consolidated Income Statement

for the year ended 30 June 2001, expressed in hk\$'000

綜合收益表 截至二零零一年六月三十日止,以港幣千元計

		附註 Notes	二零零一年 2001	二零零零年 2000
營業額	Turnover	4	197,621	67,069
銷售成本	Cost of sales		(213,877)	(62,045)
毛(損)利	Gross (loss) profit		(16,256)	5,024
其他收入	Other revenue	5	153,389	122,008
			137,133	127,032
研究開發費用	Research and development expenses		(9,467)	(23,379)
銷售費用	Selling expenses		(65,489)	(57,613)
行政費用	Administrative expenses		(179,928)	(77,150)
營運虧損	Loss from operations	6	(117,751)	(31,110)
財務費用	Finance costs	7	(23,063)	(14,346)
重估投資物業之虧絀	Deficit on revaluation of investment properties		(30,306)	-
所佔聯營公司之虧損	Share of loss of an associate		(6,564)	-
所佔共同控制公司之虧損	Share of loss of a jointly controlled entity		(5)	-
稅前虧損	Loss before taxation		(177,689)	(45,456)
稅項	Taxation	8	(432)	(1,082)
除少數股東權益前虧損	Loss before minority interests		(178,121)	(46,538)
少數股東權益	Minority interests		7,041	2
本年度虧損淨額	Net loss for the year	10	(171,080)	(46,536)
每股虧損 - 基本 (以港幣仙為單位)	Loss per share - Basic (Expressed in Hong Kong cents)	11	8.38	2.59

Consolidated Balance Sheet

at 30 June 2001, expressed in hk\$'000

綜合資產負債表 於二零零一年六月三十日,以港幣千元計

		附註 Notes	二零零一年 2001	二零零零年 2000
資產及負債	Assets and liabilities			
非流動資產	Non-current assets			
投資物業	Investment properties	13	490,000	520,306
物業及設備	Property, plant and equipment	14	1,544,190	1,059,119
投資證券	Investments in securities	15	954,860	317,186
聯營公司之權益	Interest in an associate	16	13,936	-
共同控制公司之權益	Interest in a jointly controlled entity	17	5,019	-
			3,008,005	1,896,611
流動資產	Current assets			
存貨	Inventories	18	8,172	7,361
應收賬項、訂金及預付款項	Debtors, deposits and prepayments		79,641	84,921
應收合約工程客戶款項	Amounts due from customers for contract work	19	5,308	6,260
現金及銀行結存	Cash and bank balances		1,748,672	3,075,598
			1,841,793	3,174,140
流動負債	Current liabilities			
應付賬項及應計費用	Creditors and accrued charges		184,275	243,460
應付合約工程客戶款項	Amounts due to customers for contract work	19	2,529	224
租金按金	Rental deposits		9,042	8,712
融資租約負債 - 一年內到期	Obligations under finance lease - due within one year	21	409	132
稅項	Taxation		49	2,189
			196,304	254,717
流動資產淨額	Net current assets		1,645,489	2,919,423
總資產減流動負債	Total assets less current liabilities		4,653,494	4,816,034
非流動負債	Non-current liabilities			
應付少數股東款項	Amounts due to minority shareholders	20	40,284	947
融資租約負債 - 一年後到期	Obligations under finance lease - due after one year	21	58	84
可換股票據	Convertible note	22	730,000	730,000
			770,342	731,031
			3,883,152	4,085,003
資本及儲備	Capital and reserves			
股本	Share capital	23	203,339	204,500
儲備	Reserves	25	3,679,665	3,880,502
			3,883,004	4,085,002
少數股東權益	Minority interests		148	1
			3,883,152	4,085,003
董事	Directors			
郭炳聯	Kwok Ping Luen, Raymond			
晏孝華	Yen Shiao Hua, Sheridan			

Balance Sheet

at 30 June 2001, expressed in hk\$'000

資產負債表 於二零零一年六月三十日,以港幣千元計

		附註 Notes	二零零一年 2001	二零零零年 2000
資產及負債	Assets and liabilities			
非流動資產	Non-current asset			
附屬公司權益	<i>Interests in subsidiaries</i>	12	4,848,264	4,891,996
流動資產	Current asset			
現金及銀行結存	<i>Cash and bank balances</i>		1	1
流動負債	Current liability			
應付款項及應計費用	<i>Creditors and accrued charges</i>		19,419	8,914
流動負債淨額	Net current liabilities		(19,418)	(8,913)
總資產減流動負債	Total assets less current liabilities		4,828,846	4,883,083
非流動負債	Non-current liability			
可換股票據	<i>Convertible note</i>	22	730,000	730,000
			4,098,846	4,153,083
資本及儲備	Capital and reserves			
股本	Share capital	23	203,339	204,500
儲備	Reserves	25	3,895,507	3,948,583
			4,098,846	4,153,083
董事	<i>Directors</i>			
郭炳聯	Kwok Ping Luen, Raymond			
晏孝華	Yen Shiao Hua, Sheridan			

Consolidated Statement of Recognised Gains and Losses

for the year ended 30 June 2001, expressed in hk\$'000

確認綜合損益表 截至二零零一年六月三十日止,以港幣千元計

		二零零一年 2001	二零零零年 2000
本集團物業權益重估盈餘	Revaluation surplus on the Group's property interests	-	23,518
兌換海外業務產生 之匯兌差額	Exchange differences arising on translation of overseas operations	423	-
收益表未確認之盈利淨額	Net gain not recognised in the income statement	423	23,518
本年度虧損淨額	Net loss for the year	(171,080)	(46,536)
確認虧損總額	Total recognised losses	(170,657)	(23,018)

Consolidated Cash Flow Statement

for the year ended 30 June 2001, expressed in hk\$'000

綜合現金流量報表 截至二零零一年六月三十日止,以港幣千元計

		附註 Notes	二零零一年 2001	二零零零年 2000
經營業務現金(流出)流入淨額	Net cash (outflow) inflow from operating activities	27	(249,418)	31,562
投資回報及融資費用	Returns on investments and servicing of finance			
已收利息	Interest received		134,907	109,562
已付利息	Interest paid		(23,002)	(14,335)
融資租約財務費用	Finance charges on finance lease		(61)	(11)
投資回報及融資費用 之現金流入淨額	Net cash inflow from returns on investments and servicing of finance		111,844	95,216
稅項	Taxation			
已付香港利得稅	Hong Kong Profits Tax paid		(2,534)	(27)
已付海外稅項	Overseas tax paid		(38)	-
已付稅項	Tax paid		(2,572)	(27)
投資業務	Investing activities			
購入投資證券	Purchase of investments in securities		(637,674)	(317,186)
購入物業及設備	Purchase of property, plant and equipment		(541,027)	(482,047)
購入一聯營公司	Purchase of an associate		(20,500)	-
借予一共同控制公司之貸款	Loan advanced to a jointly controlled entity		(5,091)	-
購入一共同控制公司	Purchase of a jointly controlled entity		(5)	-
出售物業及設備	Proceeds from disposal of property, plant and equipment		2,927	-
購入投資物業	Purchase of investment properties		-	(520,306)
投資業務之現金流出淨額	Net cash outflow from investing activities		(1,201,370)	(1,319,539)
融資活動前之現金流出淨額	Net cash outflow before financing		(1,341,516)	(1,192,788)
融資活動	Financing	28		
少數股東墊款	Advances from minority shareholders		39,337	947
少數股東注入資本	Capital injection by minority shareholders		6,973	3
購回本身股份	Repurchase of own shares		(31,341)	-
償還融資租約負債	Repayment of obligations under finance lease		(379)	(51)
發行普通股	Issue of ordinary shares		-	3,581,100
新鴻基地產集團墊款	Advances from shkp Group		-	882,993
股份發行開支	Shares issue expenses		-	(198,952)
融資活動之現金流入淨額	Net cash inflow from financing		14,590	4,266,040
現金及現金等值項目 之(減少)增加	(Decrease) Increase in cash and cash equivalents		(1,326,926)	3,073,252
於年初之現金及現金等值項目	Cash and cash equivalents at beginning of the year		3,075,598	2,346
於年終之現金及現金等值項目 (於現金及銀行結存反映)	Cash and cash equivalents at end of the year, represented by cash and bank balances		1,748,672	3,075,598

Notes to the Financial Statements

for the year ended 30 June 2001, expressed in hk\$'000

財務報表附註 截至二零零一年六月三十日止,以港幣千元計

1. 一般事項

本公司於開曼群島根據開曼群島公司法(一九九八年修訂本)註冊成立為獲豁免有限公司。本公司股份於香港聯合交易所有限公司創業板上市。本公司之最終控股公司為新鴻基地產發展有限公司(「新鴻基地產」),乃一間於香港註冊成立之有限公司,其股份在香港聯合交易所有限公司上市,與本集團成員公司以外之新鴻基地產附屬公司在下文稱為(「新鴻基地產集團」)。

本公司為投資控股公司,其附屬公司、聯營公司及共同控制公司之主要業務分別載於附註 35、16 及 17。

2. 採用經修訂之會計實務準則

本集團於本年度首次採納香港會計師公會頒佈之經修訂會計實務準則第 14 條「租約」。

採納該項會計實務準則對本期間或過往期間之業績並無影響。

3. 主要會計政策

本財務報表按歷史成本常規編製,就若干物業權益價值重估作出修訂,並符合香港普遍接納之會計原則。所採納之主要會計政策如下:

綜合財務報表之基本原則

綜合財務報表包括本公司及其附屬公司截至每年六月三十日之財務報表。

本集團內各公司之間所有重大交易及結餘已於編製綜合財務報表時抵銷。

投資於附屬公司

附屬公司乃一間由本公司直接或間接持有其超過半數已發行股本,或本公司控制其超過半數之投票權,或本公司控制其董事會或對等管理組織組成之企業。

本公司於附屬公司之投資按成本值列賬,扣除任何確認減值虧損。

聯營公司之權益

聯營公司乃本集團對其擁有重大影響(包括參與財務及業務決策)之企業。

1. General

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (1998 Revision) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. Its ultimate holding company is Sun Hung Kai Properties Limited (“shkp”), a company incorporated in Hong Kong with its shares listed on the Main Board of the Stock Exchange of Hong Kong Limited, which together with its subsidiaries other than members of the Group are hereinafter referred to as “shkp Group”.

The Company is an investment holding company. The principal activities of its subsidiaries, associate and jointly controlled entity are set out in notes 35, 16 and 17 respectively.

2. Adoption of Revised Statement of Standard Accounting Practice

In the current year, the Group has adopted, for the first time, the revised Statement of Standard Accounting Practice (“ssap”) No. 14 “Leases” issued by the Hong Kong Society of Accountants.

Adoption of this ssap has no effect on the results for the current or prior periods.

3. Significant Accounting Policies

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain property interests, and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 30 June each year.

All significant intercompany transactions and balances between group companies are eliminated on consolidation.

investments in subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

Investments in subsidiaries are stated at cost, as reduced by any impairment losses recognised.

interests in associates

An associate is an enterprise over which the Group is in a position to exercise significant influence, including participation in financial and operating policy decisions.

聯營公司之權益 續

綜合收益表包括本集團於本年度分佔其聯營公司於收購後之業績。於綜合資產負債表中，擁有聯營公司權益以本集團分佔聯營公司之資產淨值列賬。

對於本集團與其聯營公司進行交易，除了未變現虧損能證明所轉讓之資產已發生減值之情況外，其他未變現之損益均按本集團於相關聯營公司所佔之權益比例而予以抵銷。

合營企業

合營企業是一個合約上的安排，由集團與其他團體進行一項經濟活動，該項活動由合營各方共同控制，且任何一方均沒有絕對控制該項經濟活動之權力。

合營企業安排若涉及成立一家各合營夥伴均有權益之獨立公司，該合營企業則稱為共同控制公司。

本集團分佔共同控制公司之權益包括於綜合資產負債表內以本集團分佔共同控制公司之資產淨值列賬。綜合收益表包括本集團分佔共同控制公司於收購後之業績。

對於本集團與其共同控制公司進行交易，除了未變現虧損能證明所轉讓之資產已發生減值之情況外，其他未變現之損益均按本集團於相關共同控制公司所佔之權益比例而予以抵銷。

收益確認

來自客戶使用互聯網服務中心設施的收益根據協議期間按比例確認。

經營租約租金收益以直線基準按有關租約期間確認。

管理服務收入於提供管理服務時確認。

當能可靠地估計有關衛星電視天線共用系統（「smatv」）、鋪設電纜及保安系統業務的安裝合約的結果時，來自定價合約的收益乃使用完成百分比法，參考目前已產生合約成本佔估計該合約總合約成本的百分比計算確認。如該安裝合約的結果未能可靠估計，則僅就將來可收回的已產生合約成本確認收益。

有關 smatv 及保安系統業務的保養合約收入以時間基準按合約期間確認。

interests in associates *continued*

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates.

When the Group transacts with its associates, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associates, except where unrealised losses provide evidence of an impairment of the asset transferred.

joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group's interests in jointly controlled entities are included in the consolidated balance sheet at the Group's share of the net assets of the jointly controlled entities. The Group's share of post-acquisition results of jointly controlled entities is included in the consolidated income statement.

When the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred.

revenue recognition

Revenue from customer use of Internet services centre facilities is recognised ratably over the terms of the agreement.

Rental income under operating leases is recognised on a straight-line basis over the terms of the relevant lease.

Management services income is recognised when the services are rendered.

When the outcome of installation contracts relating to satellite master antenna television system ("smatv"), structural cabling and security system business can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. When the outcome of such installation contracts cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recovered.

Income from maintenance contracts relating to smatv and security system business is recognised on a time basis over the terms of the contract.

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財務報表附註 續

收益確認 續

網上拍賣買賣服務的收益主要來自寄放拍賣物件、佣金及廣告。有關佣金收益在順利完成拍賣時確認。

來自廣告及寄賣費的收入在刊登廣告及展出寄賣物件期間按比例確認。

非貨幣交易之收入僅在交出之資產或購入之資產之公平值可合理確定情況下確認。

利息收益以未償還本金及適用利率按時間基準確認。

安裝合約

當一項安裝合約的結果能可靠地估計時，合約成本乃根據合約活動於結算日合約工程完成階段以計算合約收入的同一基準計算確認為開支。當安裝合約的結果未能可靠估計時，合約成本於產生期間確認為開支。

研究開發成本

除非正進行一項主要項目而可合理預期開發費用將會因為未來商業活動而可收回，該開發費用乃遞延及自該項目開始投入商業運作之日起於項目期間內撇銷。否則研究及開發費用於產生年度在收益表中扣除。

經營租約

凡就根據經營租約持有或提供的資產有關之應付或應收之固定租金者，租金皆以直線基準按各租約的期間列入收益表中。而可變之應付或應收租金分別於產生或賺取期內確認。

稅項

稅項乃根據年內業績，並就毋須課稅或不獲減免項目作出調整後計算。時差乃若干收支項目在稅項及財務報表上計入不同會計期間而產生。時差導致稅項上的影響乃按負債法計算，於可見將來可能確定為稅項負債或資產者於財務表中列為遞延稅項。

外幣

以港元以外之貨幣交易在交易日換算。以港元以外之貨幣為單位之貨幣資產及負債乃按結算日的概約匯率再作換算。匯兌所引致之損益在收益表中處理。

revenue recognition *continued*

Revenue from web-based auction trading service is primarily derived from posting of items, commission and advertising. Revenue related to commission is recognised at the time when an auction sale is successfully concluded.

Revenue from advertising and posting fee is recognised ratably in the period in which the advertisement and posting is displayed.

Income from non-monetary transactions is only recognised when the fair value of either the assets surrendered or the assets acquired can be determined with reasonable certainty.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

installation contracts

When the outcome of an installation contract can be estimated reliably, contracts costs are recognised as expenses by reference to the stage of completion of the contract activity at the balance sheet date on the same basis as contract revenue.

When the outcome of an installation contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred.

research and development costs

Expenditure on research and development is charged to the income statement in the year in which it is incurred except where a major project is undertaken and it is reasonably anticipated that development costs will be recovered through future commercial activities. Such development costs are deferred and written off over the life of the project from the date of commencement of commercial operation.

operating leases

Where the amount of rentals payable or receivable in respect of assets held or provided under operating leases are fixed, the rentals are accounted for in the income statement on a straight-line basis over the periods of the respective leases.

Variable rentals payable or receivable are recognised in the period incurred or earned respectively.

taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of resulting timing differences, computed under the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

foreign currencies

Transactions in currencies other than Hong Kong dollar are translated at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong dollar are re-translated at the approximate rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

外幣 續

於綜合以港元以外之貨幣為單位且於海外經營之業務之財務報表時，乃以結算日之匯率換算。所有在綜合賬目時產生之匯兌差額均於儲備中處理。

借貸成本

購買、建造或生產合資格資產(即需要一段頗長時間始能達致其擬定用途或出售之資產)之直接借貸成本均撥充此等資產成本之一部份。當此等資產大致上已可作其擬定用途或出售時，則該等借貸成本停止撥充成本。倘個別借貸在使用於有關合資格資產前用作短暫投資，所賺取之投資收益於撥充成本之借貸成本內扣除。

所有其他借貸成本於期內產生時確認為開支。

物業及設備

物業及設備(不包括發展中物業)於結算日按成本減折舊列賬。

發展中物業、土地及樓宇按其重估價值(即其於重估日期在現時使用情況下之公平值減任何其後之累計折舊)列賬。

重估以充足規律定時進行，務求賬面值與在結算日以公平值釐定之賬面值不會有重大差別。

任何因重估發展中物業、土地及樓宇所產生之重估增值將撥充重估儲備，除非同一物業之前曾因重估出現減值(而該減值已列作開支)，於此情況下，重估之增值將計入收益表內(以之前已列作開支之減值為上限)。因物業重估所產生之減值將從該物業之前因重估產生的估值儲備中扣除(如有)，差額將列作開支。在出售或棄用一項曾作重估之物業時，相關之重估盈餘將撥入累計溢利。

資產成本包括其購買價及使資產達致運作狀況及地點作原定用途的直接成本。在資產投入運作後產生的開支，例如維修保養及大修費用，一般在收益表中扣除。當可以清楚顯示開支可導致預計使用資產的未來經濟利益增加情況下，開支撥作資產的額外成本。

因出售或棄用資產而產生的損益是按出售資產所得款項淨額與賬面值的差額釐定，於收益表中確認。

foreign currencies continued

On consolidation the financial statements of operations which are denominated in currencies other than Hong Kong dollar and which operate in overseas are translated at the rates ruling on the balance sheet date. All exchange differences arising on consolidation are dealt with in reserves.

borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

property, plant and equipment

Property, plant and equipment, other than properties under development and land and buildings, are stated at cost less depreciation at the balance sheet date.

Properties under development, land and buildings are stated in the balance sheet at their revalued amount, being the fair value on the basis of their existing use at the date of revaluation less any subsequent accumulated depreciation.

Revaluation is performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of properties under development, land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the income statement.

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財務報表附註 續

物業及設備 續

當資產的可收回金額低於其賬面值時，須將賬面值減少以反映價值下跌。在決定資產的可收回金額時，並無將預計未來現金流量折讓至其現值。

租賃土地價值按租約期限以直線法攤銷。

除了發展中物業外，其他物業及設備項目的折舊乃按其估計可使用年限以直線法撇銷其成本值及估值計算，所採用年率如下：

樓宇	2% - 5%	Buildings	2% - 5%
互聯網服務中心設施	2% - 20%	Internet services centre facilities	2% - 20%
smatv 設備	10%	smatv equipment	10%
電腦、網絡及相關設備	20% - 33 ¹ / ₃ %	Computers, networks and related equipment	20% - 33 ¹ / ₃ %
辦公室設備、傢俬及裝置	20% - 50%	Office equipment, furniture and fixtures	20% - 50%
汽車	30% - 33 ¹ / ₃ %	Motor vehicles	30% - 33 ¹ / ₃ %

以融資租約持有資產以自置資產相同基準按其預計使用年限或(倘較短)有關租約年期折舊。

發展中物業

發展中物業按估值列賬。發展中物業成本值包括於發展期間的土地成本及發展費用。

發展中物業並無作出折舊撥備。

投資物業

投資物業乃指因其投資潛力而持有之落成物業，任何租金收入均以公平原則商定。

投資物業不予撥備折舊，除非有關租約之尚餘期限在二十年或以下。

投資物業以獨立專業評估之公開市值入賬。任何因投資物業重估而產生之重估增值或減值將撥入投資物業重估儲備或自投資物業重估儲備中扣除。若該儲備之結餘不足以彌補重估減值，超出投資物業重估儲備之重估減值將於收益表內扣除。倘先前已於收益表內扣除重估減值而其後產生重估盈餘，此項增值則予撥入收益表，惟數額以先前所扣除之減值為限。

property, plant and equipment *continued*

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are not discounted to their present values.

The valuation of leasehold land is amortised over the period of the leases using the straight-line method.

Depreciation is provided to write off the cost or valuation of other items of property, plant and equipment, other than properties under development, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

properties under development

Properties under development are stated at valuation. Cost of property in the course of development comprises land cost and development costs during the development period.

No depreciation is provided on properties under development.

investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Investment properties are stated at open market value based on independent professional valuations. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment properties revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment properties revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation surplus subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

投資物業 續

於出售投資物業時，該物業應佔投資物業重估儲備結餘轉撥收益表內。

證券投資

證券投資以交易日基準初步按成本計算確認。

持有至到期之債務證券以外的投資列為投資證券及其他投資。

投資證券指持有作明確長期或策略用途證券，包括本集團於持有百分之二十以上股權但對其管理並無重大影響力之企業之權益，該等證券於日後之呈報日以成本減任何非暫時資本虧損計算。

其他投資以公平價值計算，期內未變現損益則列入純利或淨虧損。

存貨

存貨按成本與可變現淨值兩者中的較低者列賬。成本包括一切購買成本與(如適用)加工成本及使存貨達致現時位置及狀況所產生的其他成本，以先入先出法計算。可變現淨值指於日常業務過程中的估計售價減完成出售的估計成本及出售所需估計成本。

融資租約

倘租約條款將有關資產之絕大部份擁有權風險及回報轉移予本集團，則有關租約列為融資租約。根據融資租約持有之資產於購入日期按其公平值入賬。對出租人之負債扣除利息費用後在資產負債表列作融資租約負債。融資費用指租約承擔總額與購入資產之公平值兩者之差額，乃按有關租約期計入收益表，從而於每一會計期間按負債之結餘產生一個固定之費用率。

一切其他租約列為經營租約，而每年租金按有關租約期以直線法計入收益表。

investment properties *continued*

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

investments in securities

Investments in securities are recognised on a trade date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investments securities are securities held for an identified long-term or strategic purpose, including interests in enterprises where the Group holds more than 20% equity but does not have significant influence in their management, and measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the period.

inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

finance lease

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair value at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight-line basis over the relevant lease term.

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財務報表附註 續

現金等值項目

現金等值項目乃指於三個月內到期,並可隨時轉換為已知金額現金之短期高變現能力之投資,減去自借貸日期起計須於三個月內償還之銀行墊款。

cash equivalents

Cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired; less advances from banks repayable within three months from the date of the advance.

4. 營業額

營業額指來自下列活動的收益:

來自客戶使用互聯網服務中心、廣告宣傳、互聯網設施及相關服務的收入
smatv、鋪設電纜及保安系統的安裝及保養費
來自輔強服務的收入
物業租金及管理服務

4. Turnover

Turnover represents revenue generated by following activities:

	2001	2000
Income from customers use of Internet services centre, advertising, Internet facilities and related services	92,293	9,583
Installation and maintenance fee of smatv, structural cabling and security systems	56,889	53,011
Income from enabling services	29,658	–
Property rent and management services	18,781	4,475
	<u>197,621</u>	<u>67,069</u>

5. 其他收入

利息收入
物業收入(附註 14)
匯兌收益
其他

5. Other Revenue

	2001	2000
Interest income	134,907	109,562
Property income (note 14)	15,933	11,480
Exchange gains	808	–
Others	1,741	966
	<u>153,389</u>	<u>122,008</u>

截至二零零零年六月三十日止年度,利息收入包括年內本公司首次公開發售股份所得認購款項之利息。

For the year ended 30 June 2000, interest income included the interest on subscription monies received from the initial public offering of the Company's shares during that year.

6. 營運虧損

營運虧損已扣除:
退休福利計劃供款
員工薪酬(包括附註 9 所載之董事酬金)

6. Loss from Operations

	2001	2000
Loss from operations has been arrived at after charging:		
Retirement benefits scheme contributions	3,577	371
Staff costs including directors' emoluments stated in note 9	169,016	46,841
	<u>172,593</u>	<u>47,212</u>
Auditors' remuneration	955	971
Depreciation		
owned assets	53,449	15,032
assets acquired under finance lease	148	22
Loss on disposal of property, plant and equipment	208	106
Provision for bad and doubtful debts	1,634	–
Operating lease rentals in respect of land and buildings	23,088	2,245
and after crediting:		
Property rental income, net of outgoings	<u>28,825</u>	<u>14,487</u>

核數師酬金
折舊
自置資產
根據融資租約購入資產
出售物業及設備之虧損
呆壞賬撥備
涉及土地及樓宇經營租約租金
經計入:
物業租金收入(扣除支銷)

7. 財務費用**7. Finance Costs**

		2001	2000
可換股票據利息	Interest on convertible note	21,920	7,359
一名少數股東墊款利息	Interest on advance from a minority shareholder	816	–
銀行借款利息	Interest on bank borrowings	266	–
新鴻基地產集團墊款利息	Interest on advances from shkp Group	–	6,976
融資租約財務費用	Finance charges on finance lease	61	11
		<u>23,063</u>	<u>14,346</u>

8. 稅項**8. Taxation**

		2001	2000
有關費用包括：	The charge comprises:		
香港利得稅	Hong Kong Profits Tax		
本年度	<i>Current year</i>	–	1,082
上年度撥備不足	<i>Underprovision in prior year</i>	349	–
		<u>349</u>	<u>1,082</u>
中華人民共和國(「中國」)其他地區之稅項	Tax in other regions in the People's Republic of China (the "prc")	77	–
其他司法權區之稅項	Tax in other jurisdictions	6	–
		<u>432</u>	<u>1,082</u>

鑑於本集團於本年度並無應課稅溢利，故於財務報表中概無就香港利得稅作出任何撥備。

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit for the current year.

二零零零年之有關費用指就該年度估計應課稅溢利按百分之十六計算之香港利得稅。

The charge in 2000 represented Hong Kong Profits Tax calculated at 16% of the estimated assessable profits of that year.

其他司法權區產生之稅項按有關司法權區之稅率計算。

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

未確認遞延稅項之詳情載於附註 32。

Details of unrecognised deferred taxation are set out in note 32.

9. 董事酬金及僱員薪酬**9. Directors' Emoluments and Employees' Emoluments**

		2001	2000
董事酬金：	Directors' emoluments:		
非執行董事	Non-executive director		
袍金	<i>fees</i>	120	51
獨立非執行董事	Independent non-executive directors		
袍金	<i>fees</i>	360	110
執行董事	Executive directors		
薪金及津貼	<i>salaries and allowances</i>	14,146	3,756
		<u>14,626</u>	<u>3,917</u>

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財務報表附註 續

9. 董事酬金及僱員薪酬 續

截至二零零一年六月三十日止年度非執行董事袍金為 120,000 港元。

截至二零零一年六月三十日止年度,各獨立非執行董事之董事袍金為 120,000 港元。所有非執行董事並無收取任何其他酬金。

各執行董事於截至二零零一年六月三十日止年度分別收取酬金如下: 1 港元、1 港元、1 港元、12,000 港元、12,000 港元、390,000 港元、594,000 港元、829,000 港元、1,670,000 港元、1,760,000 港元、2,023,000 港元、2,235,000 港元、2,273,000 港元及 2,347,000 港元。

於本年內,本集團概無向董事支付酬金作為鼓勵加入或加入本集團時之獎金或作為離職補償。

於本年內,各董事概無放棄任何薪酬。

僱員薪酬:

於本年內,五名最高薪人士包括本公司四名(二零零零年:一名)董事。其餘一名(二零零零年:四名)最高薪人士之薪酬如下:

薪金及其他福利

9. Directors' Emoluments and Employees' Emoluments *continued*

The non-executive director's fee amounted to hk\$120,000 for the year ended 30 June 2001.

The director's fee for each independent non-executive director amounted to hk\$120,000 for the year ended 30 June 2001. All non-executive directors did not receive any other emoluments.

The executive directors respectively received emoluments for the year ended 30 June 2001 as follows: hk\$1, hk\$1, hk\$1, hk\$12,000, hk\$12,000, hk\$390,000, hk\$594,000, hk\$829,000, hk\$1,670,000, hk\$1,760,000, hk\$2,023,000, hk\$2,235,000, hk\$2,273,000 and hk\$2,347,000.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors has waived any emoluments during the year.

Employees' Emoluments:

During the year, the five highest paid individuals include four (2000: one) directors of the Company. The emoluments of that one (2000: four) remaining highest paid individual(s) are as follows:

		2001	2000
薪金及其他福利	Salaries and other benefits	3,761	3,797

其餘最高薪人士之酬金金額範圍如下:

The emoluments of the remaining highest paid individuals were within the following bands:

		僱員人數 Number of employees	
		2001	2000
1,000,000 港元或以下	Up to hk\$1,000,000	-	3
1,000,001 港元至 1,500,000 港元	hk\$1,000,001 to hk\$1,500,000	-	1
3,500,001 港元至 4,000,000 港元	hk\$3,500,001 to hk\$4,000,000	1	-
		1	4

10. 本年度虧損淨額

在本年度本集團之虧損淨額中,22,896,000 港元之虧損(二零零零年:盈利 40,935,000 港元)已計入本公司之財務報表。

10. Net Loss for the Year

Of the Group's net loss for the year, a loss of hk\$22,896,000 (2000: a profit of hk\$40,935,000) has been dealt with in the financial statements of the Company.

11. 每股虧損

截至二零零一年六月三十日止年度之每股虧損乃根據本年度虧損 171,080,000 港元及已發行股份之加權平均數 2,040,501,695 股計算。

11. Loss Per Share

The calculation of the loss per share for the year ended 30 June 2001 is based on the loss for the year of hk\$171,080,000 and on the weighted average of 2,040,501,695 shares in issue.

11. 每股虧損 續

截至二零零零年六月三十日止年度之每股虧損乃根據該年度虧損46,536,000港元及假設集團重組於一九九九年七月一日已完成而於年內將已發行之股份加權平均數1,799,467,213股計算。

由於本公司尚未行使之購股權之行使價較本公司股份於該兩個年度之股份平均市價為高，因此未有呈列每股攤薄虧損。

由於本公司尚餘之可換股票據獲行使轉換權時將導致每股虧損減少，因此計算每股攤薄虧損時並無假設本公司尚未行使之可換股票據已獲轉換。

12. 附屬公司權益

非上市股份(按成本)
應收附屬公司款項

應收附屬公司款項為無抵押、免息及無固定還款期。董事認為，該筆款項將不會自結算日起計十二個月內獲得償還。因此，該筆款項列作非流動項目。

有關本公司於二零零一年六月三十日之主要附屬公司詳情載於附註35。

13. 投資物業

本集團

二零零零年七月一日
重估虧絀
二零零一年六月三十日

所有投資物業位於香港並根據中期租約持有。此等物業乃持有作經營租約用途。

投資物業由獨立專業物業估值師戴德梁行有限公司(「戴德梁行」)於二零零一年六月三十日按公開市值對該等物業進行重估。是次估值帶來重估減值30,306,000港元，數額已自收益表中扣除。

11. Loss Per Share *continued*

The calculation of the loss per share for the year ended 30 June 2000 is based on the loss for that year of hk\$46,536,000 and on the weighted average of 1,799,467,213 shares that would have been in issue throughout that year on the assumption that the group reorganisation for the purpose of the listing of the Company's shares had been completed as at 1 July 1999.

No diluted 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 for both years.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible note since their exercise would result in a decrease in loss per share.

12. Interests in Subsidiaries

	本公司 2001	The Company 2000
Unlisted shares, at cost	-	-
Amounts due from subsidiaries	4,848,264	4,891,996
	<u>4,848,264</u>	<u>4,891,996</u>

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors, the amounts will not be repayable within twelve months from the balance sheet date. Accordingly, the amounts are shown as non-current.

Details of the Company's principal subsidiaries at 30 June 2001 are set out in note 35.

13. Investment Properties

The Group

At 1 July 2000	520,306
Deficit on revaluation	(30,306)
At 30 June 2001	<u>490,000</u>

All the investment properties are situated in Hong Kong and held under medium-term leases. They are held for use under operating leases.

The investment properties were revalued at their open market valuation at 30 June 2001 by dtz Debenham Tie Leung Limited ("dtz"), an independent firm of professional valuers. This valuation gave rise to a revaluation decrease of hk\$30,306,000 which has been charged to the income statement.

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財務報表附註 續

14. 物業及設備

14. Property, Plant and Equipment

		土地及樓宇 Land and buildings	發展中物業 Properties under development
本集團	The Group		
成本或估值	Cost or Valuation		
二零零零年七月一日	At 1 July 2000	496,072	321,598
增添	Additions	-	68,862
轉撥	Transfers	390,460	(390,460)
出售	Disposals	-	-
匯兌差額	Exchange difference	-	-
二零零一年六月三十日	At 30 June 2001	886,532	-
包括	Comprising:		
按成本	At cost	68,862	-
按二零零零年之估計	At valuation - 2000	817,670	-
		886,532	-
折舊	Depreciation		
二零零零年七月一日	At 1 July 2000	3,163	-
本年度撥備	Provided for the year	11,352	-
出售撇銷	Eliminated on disposals	-	-
二零零一年六月三十日	At 30 June 2001	14,515	-
賬面淨值	Net Book Value		
二零零一年六月三十日	At 30 June 2001	872,017	-
二零零零年六月三十日	At 30 June 2000	492,909	321,598

互聯網 服務中心設施 Internet services centre facilities	smatv 設備 smatv equipment	電腦、網絡 及相關設備 Computers, networks and related equipment	辦公室設備、 傢俬及裝置 Office equipment, furniture and fixtures	汽車 Motor vehicles	總計 Total
203,410	22,523	26,132	15,034	1,996	1,086,765
422,005	4,455	25,745	19,885	705	541,657
-	-	-	-	-	-
(2,625)	-	(287)	(911)	-	(3,823)
146	-	-	-	-	146
622,936	26,978	51,590	34,008	2,701	1,624,745
622,936	26,978	51,590	34,008	2,701	807,075
-	-	-	-	-	817,670
622,936	26,978	51,590	34,008	2,701	1,624,745
3,836	15,910	1,542	2,918	277	27,646
22,046	2,564	10,593	6,355	687	53,597
(398)	-	(75)	(215)	-	(688)
25,484	18,474	12,060	9,058	964	80,555
597,452	8,504	39,530	24,950	1,737	1,544,190
199,574	6,613	24,590	12,116	1,719	1,059,119

上述土地及樓宇包括一幢名為柯達大廈二期的樓宇的若干單位，擬用於本集團與香港工業科技中心公司聯合發展之資訊科技培育計劃。於二零零一年六月三十日，若干單位已作上述用途，而其他單位則租予第三者。上述其他單位之賬面值為 187,607,000 港元(二零零零年:190,961,000港元)。載於附註 5 之物業收入，乃指來自其他單位之租金收入，並不被視為與本集團之核心業務有關。

Included in the above land and buildings are certain units in a building known as Kodak House II which are intended to be used in an it incubation program jointly developed by the Group with Hong Kong Industrial Technology Centre Corporation. At 30 June 2001, certain of these units had been put into such use and other units are leased to third parties. The carrying value of these other units is hk\$187,607,000 (2000: hk\$190,961,000). The property income set out in note 5, represented the rental income derived from the other units, is not considered to be related to the Group's core business.

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財務報表附註 續

14. 物業及設備 續

上述本集團之物業之賬面淨值包括：

在香港以下列租約持有之物業

長期租約

中期租約

董事認為，本集團之物業權益於二零零一年六月三十日之公開市值與戴德梁行於二零零零年一月三十一日就本集團之物業權益進行之估值相若。

本年內，若干落成物業已由發展中物業轉撥至土地及樓宇項下，並於結算日按成本減折舊列賬。董事認為，該等落成物業於二零零一年六月三十日之公開市值與其賬面值相若。

倘租約土地及物業並無重新估值，該等土地及物業按歷史成本減累計折舊計入此等財務報表，數額為 849,043,000 港元(二零零零年：475,685,000 港元)。

互聯網服務中心設施之賬面值597,452,000 港元，包括根據融資租約持有之資產金額 727,000 港元(二零零零年：245,000 港元)。

15. 投資證券

股本證券

於香港上市

非上市

債券

於香港以外上市

非上市

總計

上市證券市值

14. Property, Plant and Equipment *continued*

The net book value of Group's properties shown above comprises:

	本集團 The Group	
	2001	2000
Properties in Hong Kong held under		
<i>long leases</i>	587,465	524,116
<i>medium-term leases</i>	284,552	290,391
	872,017	814,507

In the opinion of the directors, the open market value of the Group's property interests at 30 June 2001 approximated to the latest valuation of the Group's property interests performed by dtz in relation to the 31 January 2000 valuation.

Certain completed properties were transferred from the properties under development to land and buildings during the year and are stated at cost less depreciation at the balance sheet date. In the opinion of the directors, the open market value of these completed properties at 30 June 2001 approximated to their carrying value.

If the leasehold land and building had not been revalued, they would have been included in these financial statements at historical cost less accumulated depreciation at hk\$849,043,000 (2000: hk\$475,685,000).

The net book value of Internet services centre facilities of hk\$597,452,000 includes an amount of hk\$727,000 (2000: hk\$245,000) in respect of assets held under finance leases.

15. Investments in Securities

	本集團 The Group	
	2001	2000
Equity securities		
<i>Listed in Hong Kong</i>	60,500	-
<i>Unlisted</i>	655,587	317,186
	716,087	317,186
Debt securities:		
<i>Listed outside Hong Kong</i>	208,246	-
<i>Unlisted</i>	30,527	-
	238,773	-
Total	954,860	317,186
Market value of listed securities	256,723	-

15. 投資證券 續

上述股本證券包括本集團於 Commercial Press (Hong Kong) Cyberbooks Limited (一間於香港註冊成立之公司) 中百分之二十五股權之投資。董事認為，本集團對此項投資並無重大影響力。因此，該投資列為投資證券。

15. Investments in Securities *continued*

Included in the above equity securities is the Group's investment in a 25% equity interest in Commercial Press (Hong Kong) Cyberbooks Limited, a company incorporated in Hong Kong. In the opinion of the directors, the Group is not in a position to exercise significant influence on this investment. Accordingly, the investment is classified as investment in securities.

16. 聯營公司之權益

16. Interest in an Associate

		本集團 The Group 2001	2000
分佔資產淨值	Share of net assets	13,936	-

本公司於二零零一年六月三十日
之聯營公司詳情如下：

Particulars of the Company's associate at 30 June 2001 are as follows:

聯營公司名稱	註冊成立 / 營運地點	持有之股份類別	本公司間接持有 已發行股本面值之比例	主要業務
Name of associate	Place of incorporation/operations	Class of shares held	Proportion of nominal value of issued share capital indirectly held by the Company	Principal activities
Asiane 2e.com Limited	香港 Hong Kong	優先股 Preference shares	41%	提供網上交易服務 及電子商貿服務 Provision of web-based trading services and e-commerce services

17. 共同控制公司之權益

17. Interest in a Jointly Controlled Entity

		本集團 The Group 2001	2000
分佔資產淨值	Share of net assets	-	-
借予一共同控制公司之貸款	Loan to a jointly controlled entity	4,995	-
減：撥備	Less: Provision	72	-
		4,923	-
應收一共同控制公司款項	Due from a jointly controlled entity	96	-
		5,019	-

借予共同控制公司之貸款及應收共同控制公司款項為無抵押、免息及無固定還款期。董事認為，兩筆欠款於結算日起計十二個月內均不會獲得償還。因此，該兩筆欠款均列作非流動項目。

The loan granted to and the amount due from the jointly controlled entity are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors, both balances will not be repayable within twelve months from the balance sheet date. Accordingly, both balances are shown as non-current.

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財務報表附註 續

17. 共同控制公司之權益 續

本公司於二零零一年六月三十日之共同控制公司詳情如下：

公司名稱	註冊成立 / 營運地點	持有之股份類別	本公司間接持有 已發行股本面值之比例	主要業務
Name of entity	Place of incorporation/operations	Class of shares held	Proportion of nominal value of issued share capital indirectly held by the Company	Principal activities
Project-i Limited	香港 Hong Kong	普通股 Ordinary shares	50%	提供建築項目 管理服務 Provision of construction project management services

17. Interest in a Jointly Controlled Entity *continued*

Particulars of the Company's jointly controlled entity at 30 June 2001
are as follows:

18. 存貨

		本集團 The Group	
		2001	2000
原料	Raw materials	7,453	4,723
在建工程	Work in progress	87	2,638
製成品	Finished goods	632	-
		8,172	7,361

兩個年度之存貨均按成本列賬。

18. Inventories

Inventories are carried at cost for both years.

19. 應收(應付)合約工程客戶款項

		本集團 The Group	
		2001	2000
產生之成本	Costs incurred	16,387	10,324
確認溢利減確認虧損	Recognised profits less recognised losses	4,504	5,393
		20,891	15,717
減：進度付款	Less: Progress billings	18,112	9,681
		2,779	6,036
呈列方式：	Represented by:		
列入流動資產之應收客戶款項	Due from customers included in current assets	5,308	6,260
列入流動負債之應付客戶款項	Due to customers included in current liabilities	(2,529)	(224)
		2,779	6,036

20. 應付少數股東款項

本集團

應付少數股東款項為無抵押及無固定還款期。除了為數約16,400,000港元(二零零零年：零)之款項按新加坡之優惠利率加2厘計息外，其餘欠款均不計利息。少數股東已同意不會於結算日起計十二個月內提出還款要求。因此，該筆款項列作非流動項目。

20. Amounts Due to Minority Shareholders

The Group

The amounts due to minority shareholders are unsecured and have no fixed repayment terms. Except for an amount of approximately hk\$16.4 million (2000: nil) which bears interest at prime rate of Republic of Singapore plus 2%, the remaining balances are interest-free. The minority shareholders agreed not to demand payment within twelve months from the balance sheet date. Accordingly, the amounts are shown as non-current.

21. 融資租約負債

21. Obligations Under Finance Lease

		本集團 The Group			
		租約最低還款		租約最低還款之現值	
		Minimum lease payments		Present value of minimum lease payments	
		2001	2000	2001	2000
根據融資租約而於以下期間應付之款項	Amounts payable under finance lease				
一年內	<i>Within one year</i>	436	148	409	132
一年至兩年內	<i>More than one year but not exceeding two years</i>	58	87	58	84
		494	235	467	216
減：未來融資費用	Less: Future finance charge	27	19	-	-
租約負債現值	Present value of lease obligations	467	216	467	216
減：十二個月內到期償還之欠款 (列作流動負債)	Less: Amount due for settlement within twelve months (shown under current liabilities)			409	132
十二個月後到期償還之欠款	Amount due for settlement after twelve months			58	84

22. 可換股票據

22. Convertible Note

		本集團及本公司	
		The Group and The Company	
		2001	2000
可換股票據	Convertible note	730,000	730,000

可換股票據(「票據」)為無抵押，由新鴻基地產集團持有及按年息三厘計算利息。票據可全部或部份轉讓，票據持有人有權按初步換股價每股 10.38 港元(可予調整)將有關票據轉換為本公司股份。除票據獲轉換為股份外，尚未轉換票據之本金額將於二零零三年二月由本公司償還。

The convertible note ("Note") is unsecured, held by shkp Group and interest-bearing at 3% per annum. The Note, which is transferable in whole or in part, confers rights on the holder to convert such note into shares of the Company at an initial conversion price of hk\$10.38 per share (subject to adjustments). Unless otherwise converted, any principal amount of the outstanding Note will be repayable by the Company in February 2003.

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財務報表附註 續

23. 股本

每股面值 0.1 港元之普通股
法定：
於註冊成立時
根據集團於二零零零年二月二十九日
重組時增加
二零零零年六月三十日及
二零零一年六月三十日
已發行及繳足
發行股份予起始認購人
集團重組時發行股份
配售及公開發售股份
因包銷商行使超額配股權
而額外發行股份
二零零零年六月三十日及
二零零零年七月一日
購回股份
二零零一年六月三十日

(a) 本公司於二零零零年一月二十五日註冊成立,法定股本為 100,000,000 港元,分為 1,000,000,000 股每股面值 0.1 港元之普通股,其中兩股於同日配發及發行予本公司之認購人。

(b) 根據本公司股東於二零零零年二月二十九日通過之書面決議案,本公司之法定股本藉增設每股面值 0.1 港元之 9,000,000,000 股股份而由 100,000,000 港元增至 1,000,000,000 港元。

(c) 根據本公司董事會於二零零零年二月二十九日通過之一項決議案,本公司合共發行 1,699,999,998 股每股面值 0.10 港元之新普通股以根據集團重組收購附屬公司,發行代價為 730,000,000 港元。

(d) 藉配售及公開發售,本公司按每股 10.38 港元之價格發行合共 300,000,000 股每股面值 0.10 港元之新普通股。

(e) 於二零零零年四月三日,本公司根據日期為二零零零年三月三日之包銷協議下包銷商行使超額配股權條款,按每股 10.38 港元之價格再發行 45,000,000 股每股面值 0.10 港元之新普通股。

23. Share Capital

	附註 Notes	普通股數目 Number of ordinary shares	千港元 hk\$'000
Ordinary shares of hk\$0.1 each			
Authorised:			
At time of incorporation	(a)	1,000,000,000	100,000
Increase on 29 February 2000 pursuant to group reorganisation	(b)	9,000,000,000	900,000
At 30 June 2000 and 30 June 2001		10,000,000,000	1,000,000
Issued and fully paid:			
Issue of shares to initial subscribers	(a)	2	-
Issue of shares on group reorganisation	(c)	1,699,999,998	170,000
Placing and public offer of shares	(d)	300,000,000	30,000
Issue of additional shares on exercise of over-allotment option by under writers	(e)	45,000,000	4,500
At 30 June 2000 and 1 July 2000		2,045,000,000	204,500
Repurchase of shares	(f)	(11,607,000)	(1,161)
At 30 June 2001		2,033,393,000	203,339

(a) The Company was incorporated on 25 January 2000 with an authorised share capital of hk\$100,000,000 divided into 1,000,000,000 ordinary shares of hk\$0.10 each, two of which were allotted and issued to the subscribers of the Company on the same date.

(b) Pursuant to the written resolutions passed by the shareholders of the Company on 29 February 2000, the authorised share capital of the Company was increased from hk\$100,000,000 to hk\$1,000,000,000 by the creation of an additional 9,000,000,000 shares of hk\$0.1 each.

(c) Pursuant to a resolution passed in the board meeting of the Company on 29 February 2000, the Company issued a total of 1,699,999,998 new ordinary shares of hk\$0.10 each at a consideration of hk\$730,000,000 for the acquisition of subsidiaries pursuant to a group reorganisation.

(d) By means of placing and public offer, the Company issued a total of 300,000,000 new ordinary shares of hk\$0.10 each at a price of hk\$10.38 per share.

(e) On 3 April 2000, the Company issued a further 45,000,000 new ordinary shares of hk\$0.10 each at a price of hk\$10.38 per share pursuant to the exercise of the over-allotment option clause under the under writing agreement dated 3 March 2000 by the underwriters.

23. 股本 續

(f) 於年內，本公司透過香港聯合交易所有限公司購回其股份，載列如下：

購回月份	Month of repurchase	每股面值 0.1 港元 之普通股數目 Number of ordinary shares of hk\$0.1 each	每股作價		已付總代價 (除開支外) 千港元 Aggregate consideration paid (before expenses) hk\$'000
			最高 港元 Highest hk\$	最低 港元 Lowest hk\$	
二零零零年十月	October 2000	1,988,500	4.1	3.9	7,971
二零零零年十一月	November 2000	939,500	3.425	3.125	3,078
二零零零年十二月	December 2000	1,480,000	3.25	2.65	4,364
二零零一年一月	January 2001	498,000	2.8	2.7	1,366
二零零一年二月	February 2001	866,000	2.8	2.65	2,360
二零零一年三月	March 2001	3,226,000	2.675	2.05	7,239
二零零一年四月	April 2001	926,500	2.1	1.9	1,838
二零零一年五月	May 2001	126,000	1.8	1.77	225
二零零一年六月	June 2001	1,556,500	1.78	1.7	2,704
		<u>11,607,000</u>			<u>31,145</u>

上述股份已於購回時註銷。購回股份應付之溢價及相關費用已於股份溢價中扣除。

除本報所披露者外，本公司及其附屬公司概無於年內贖回、購買或出售本公司任何上市證券。

24. 購股權計劃

本集團設立三項購股權計劃，有關詳情如下：

(a) 本公司之購股權計劃

本公司設立一項購股權計劃〔本公司計劃〕，據此，本公司可以每批購股權 1 港元之代價向全職僱員包括本公司或其附屬公司之執行董事授出購股權以認購本公司股份。授出之購股權可於董事會知會獲授人之不少於三年期間隨時行使。本公司計劃下股份之認購價將為下列者之最高價：(i) 於授出日期本公司股份在聯交所當日報價表所列之收市價；(ii) 緊接授出日期前五個營業日在聯交所列報本公司股份之平均收市價及(iii)本公司股份之面值。根據本公司計劃可授出購股權涉及之股份數目最多不得超過本公司不時之已發行股本百分之十。

23. Share Capital continued

(f) During the year, the Company repurchased its own shares through The Stock Exchange of Hong Kong Limited as follows:

	每股面值 0.1 港元 之普通股數目 Number of ordinary shares of hk\$0.1 each	每股作價		已付總代價 (除開支外) 千港元 Aggregate consideration paid (before expenses) hk\$'000
		最高 港元 Highest hk\$	最低 港元 Lowest hk\$	
二零零零年十月	1,988,500	4.1	3.9	7,971
二零零零年十一月	939,500	3.425	3.125	3,078
二零零零年十二月	1,480,000	3.25	2.65	4,364
二零零一年一月	498,000	2.8	2.7	1,366
二零零一年二月	866,000	2.8	2.65	2,360
二零零一年三月	3,226,000	2.675	2.05	7,239
二零零一年四月	926,500	2.1	1.9	1,838
二零零一年五月	126,000	1.8	1.77	225
二零零一年六月	1,556,500	1.78	1.7	2,704
	<u>11,607,000</u>			<u>31,145</u>

The above shares were cancelled upon repurchase. The premium and relating expenses payable on repurchase of shares were charged against share premium.

Save as disclosed above, the Company and its subsidiaries did not redeem, purchase or sell any of the listed securities of the Company during the year.

24. Share Option Schemes

The Group operates three share option schemes, details of which are as follows:

(a) The Company's share option scheme

The Company operates a share option scheme (the "Company Scheme"), pursuant to which the Company may grant, for a consideration of hk\$1 for each lot, options to any full-time employee including executive directors of the Company or its subsidiaries to subscribe for shares in the Company. Options granted are exercisable at any time during a period of not less than three years to be notified by the Board of Directors to the grantee. The subscription price of the shares under the Company Scheme will be the highest of (i) the closing price of the Company's share as stated in the Stock Exchange's daily quotation on the date of the offer; (ii) the average closing price of the Company's share as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of offer and (iii) the nominal value of the Company's share. The maximum number of shares in respect of which options may be granted under the Company Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

財務報表附註 續

24. 購股權計劃 續

於本年內，根據本公司計劃授出之購股權之變動概要如下：

授出日期	Date of grant	行使價 港元 Exercise price hk\$	行使期 Exercisable period	購股權數目 Number of share options			二零零一年 六月三十日 At 30.6.2001
				二零零零年 七月一日 At 1.7.2000	於年內授出 Granted during the year	於年內註銷 Cancelled during the year	
二零零零年 三月二十八日	28 March 2000	10.38	31.12.2000~ 30.12.2005	9,920,000	-	(1,685,000)	8,235,000
二零零零年 十一月三十日	30 November 2000	3.885	15.11.2001~ 14.11.2006	-	4,115,500	(240,000)	3,875,500
二零零一年 四月七日	7 April 2001	2.34	20.3.2002~ 19.3.2007	-	4,925,000	-	4,925,000
				9,920,000	9,040,500	(1,925,000)	17,035,500

本公司已就於本年內根據本公司計劃授出之購股權收取象徵式代價。

(b) 附屬公司之購股權計劃

本公司兩間附屬公司(「有關附屬公司」)亦各自設立購股權計劃(「有關附屬公司計劃」)。據此，有關附屬公司可向其執行董事及全職僱員(包括其各自附屬公司之執行董事及全職僱員)授出可認購有關附屬公司股份之購股權。有關附屬公司計劃下授出之購股權可於有關附屬公司各自董事會知會獲授人之不少於三年期間內任何時間行使。有關附屬公司計劃下股份之認購價不得少於各自有關附屬公司股份之面值。惟倘獲授人乃有關附屬公司之任何在聯交所創業板及主板上市控股公司之董事或其聯繫人士，則認購價應以公平合理之基準釐定且不少於各自有關附屬公司最近期經審核每股有形淨資產。有關附屬公司計劃下可授出購股權所涉及股份數目，最多不得超逾各自有關附屬公司不時已發行股本之百分之十。

自採納有關附屬公司計劃以來，並無根據計劃授出購股權。

24. Share Option Schemes *continued*

A summary of the movements during the year in the share options granted under the Company Scheme is as follows:

授出日期	Date of grant	行使價 港元 Exercise price hk\$	行使期 Exercisable period	購股權數目 Number of share options			二零零一年 六月三十日 At 30.6.2001
				二零零零年 七月一日 At 1.7.2000	於年內授出 Granted during the year	於年內註銷 Cancelled during the year	
二零零零年 三月二十八日	28 March 2000	10.38	31.12.2000~ 30.12.2005	9,920,000	-	(1,685,000)	8,235,000
二零零零年 十一月三十日	30 November 2000	3.885	15.11.2001~ 14.11.2006	-	4,115,500	(240,000)	3,875,500
二零零一年 四月七日	7 April 2001	2.34	20.3.2002~ 19.3.2007	-	4,925,000	-	4,925,000
				9,920,000	9,040,500	(1,925,000)	17,035,500

The Company received nominal consideration for options granted during the year under the Company Scheme.

(b) Subsidiaries' share option schemes

Two subsidiaries (the "Subsidiaries") each also operates a share option scheme (the "Subsidiaries Schemes"), pursuant to which the Subsidiaries may grant options to their executive directors and full-time employees (including those of their respective subsidiaries) to subscribe for shares in the Subsidiaries. Options granted under the Subsidiaries Schemes are exercisable at any time during a period of not less than three years to be notified by the respective boards of directors of the Subsidiaries to the grantee. The subscription price of the shares under the Subsidiaries Schemes shall not be less than the nominal value of a share in the respective Subsidiaries provided that in the case of a grantee who is a director of any holding company of the Subsidiaries which is listed on the *Gem* or the main board of the Stock Exchange, or his or her associates, the subscription price shall be determined on a fair and reasonable basis and not less than the latest audited net tangible assets per share of the respective Subsidiaries. The maximum number of shares in respect of which options may be granted under the Subsidiaries Schemes shall not exceed 10% of the issued share capital of the respective Subsidiaries from time to time.

No options were granted under the Subsidiaries Schemes since their adoption.

25. 儲備

25. Reserves

		股份溢價	匯兌儲備	物業重估 儲備	累計虧損	總計
		Share premium	Exchange reserve	Property revaluation reserve	Accumulated losses	Total
本集團	The Group					
一九九九年七月一日	At 1 July 1999	-	-	-	(4,128)	(4,128)
重估物業產生盈餘	Surplus arising on revaluation of properties	-	-	23,518	-	23,518
發行股份產生溢價	Premium arising on issue of of shares					
根據集團重組	<i>pursuant to group reorganisation</i>	560,000	-	-	-	560,000
藉配售及公開發售	<i>by means of placing and public offer</i>	3,546,600	-	-	-	3,546,600
發行股份承擔開支	Expenses incurred in connection with the issue of shares	(198,952)	-	-	-	(198,952)
本年度虧損淨額	Net loss for the year	-	-	-	(46,536)	(46,536)
二零零零年六月三十日及 二零零零年七月一日之結存	Balance at 30 June 2000 and 1 July 2000	3,907,648	-	23,518	(50,664)	3,880,502
購回本身之股份	Repurchase of own shares	(30,180)	-	-	-	(30,180)
換算海外業務產生 之匯兌差額	Exchange difference arising on translation of overseas operations	-	423	-	-	423
本年度虧損淨額	Net loss for the year	-	-	-	(171,080)	(171,080)
二零零一年六月三十日	At 30 June 2001	3,877,468	423	23,518	(221,744)	3,679,665
應佔：	Attributable to:					
本公司及附屬公司	<i>the Company and subsidiaries</i>	3,877,468	423	23,518	(215,175)	3,686,234
聯營公司	<i>associate</i>	-	-	-	(6,564)	(6,564)
共同控制公司	<i>jointly controlled entity</i>	-	-	-	(5)	(5)
二零零一年六月三十日	At 30 June 2001	3,877,468	423	23,518	(221,744)	3,679,665

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25. 儲備 續

25. Reserves *continued*

		股份溢價	匯兌儲備	物業重估 儲備	累計溢利	總計
		Share premium	Exchange reserve	Property revaluation reserve	Accumulated profit	Total
本公司	The Company					
一九九九年七月一日	At 1 July 1999	-	-	-	-	-
發行股份產生溢價	Premium arising on issue of shares					
根據集團重組	<i>pursuant to group reorganisation</i>	560,000	-	-	-	560,000
藉配售及公開發售	<i>by means of placing and public offer</i>	3,546,600	-	-	-	3,546,600
發行股份承擔開支	Expenses incurred in connection with the issue of shares	(198,952)	-	-	-	(198,952)
本年度純利	Net profit for the year	-	-	-	40,935	40,935
二零零零年六月三十日及 二零零零年七月一日之結存	Balance at 30 June 2000 and 1 July 2000	3,907,648	-	-	40,935	3,948,583
購回本身之股份	Repurchase of own shares	(30,180)	-	-	-	(30,180)
本年度虧損淨額	Net loss for the year	-	-	-	(22,896)	(22,896)
二零零一年六月三十日	At 30 June 2001	3,877,468	-	-	18,039	3,895,507

本公司於二零零一年六月三十日可供分派予股東之儲備，指股份溢價與累計溢利合共3,895,507,000港元(二零零零年：3,948,583,000港元)。

The Company's reserves available for distribution to shareholders as at 30 June 2001 represents the aggregate of share premium and accumulated profit of hk\$3,895,507,000 (2000: hk\$3,948,583,000).

26. 有關連人士交易及結存

於本年內，本集團與若干有關連人士有重大交易及結存。於本年內與此等人士進行之重大交易及於結算日與此等人士之重大結存如下：

26. Related Party Transactions and Balances

During the year, the Group had significant transactions and balances with certain related parties. The significant transactions with these parties during the year, and significant balances with them at the balance sheet date, are as follows:

26. 有關連人士交易及結存 續

(a) 與新鴻基地產集團之交易

26. Related Party Transactions and Balances *continued*

(a) Transactions with shkp Group:

		附註 Notes	2001	2000
廣告及銷售互聯網服務	Advertising and sales of Internet services	(i)	10,576	745
應用服務及相關解決方案收入	Application services and related solutions income	(i)	1,017	-
安裝、經營及提供網絡接駁之收入	Income from installation, operation and provision of cable networking	(i)	25,153	24,430
維修保養網絡基建及保安系統之收入	Income from maintenance and repair of network infrastructure and security system	(i)	27,879	26,934
寫字樓設備交易之收入	Income from office equipment transactions	(i)	1,140	-
網絡接駁項目及相關收入	Network, cabling projects and related income	(i)	996	-
租金及管理費收入	Rental and management fee income	(i)	502	335
銷售網絡及電腦設備	Sale of network and computer equipment	(i)	938	-
會計及其他服務費	Accountancy and other service charges	(i)	1,946	558
收購物業	Acquisition of property	(v)	-	605,000
已付屋宇代理費	Estate agency fees paid	(i)	1,123	-
消防系統安裝費	Installation of fire service system charges	(i)	1,221	-
電力系統安裝費	Installation of electrical systems works	(i)	1,130	-
已付保險服務費	Insurance service charges paid	(i)	1,566	518
墊款之利息開支	Interest expenses on advances	(ii)	-	6,976
可換股票據之利息開支	Interest expense on convertible note	(iii)	21,920	7,359
已付項目管理及建築服務費用	Project management and construction services fee paid	(i)	336,413	152,616
已付物業管理費	Property management services fee paid			
自置物業	<i>owned properties</i>	(iv)	9,541	4,310
租賃物業	<i>leased properties</i>	(iv)	458	1,475
購入租賃物業裝修及汽車	Purchase of leasehold improvements and motor vehicle	(i)	119	-
購入保安系統	Purchase of security systems	(i)	1,127	-
已付租金	Rent paid	(iv)	15,854	2,245

附註：

- (i) 此等交易按市價進行，或倘無市價，則按成本價加以某個百分比計算之溢利。
- (ii) 即截至一九九九年十二月三十一日止六個月按年息七厘半計算之已付貸款利息。該貸款於其後免計利息。
- (iii) 可換股票據應付利息按年息三厘計算。
- (iv) 該金額按有關協議支付，所支付之租金及管理費乃參照類似交易之市值而釐定。

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) Being interest paid on advances at 7.5% per annum for the six months ended 31 December 1999. The advances became interest-free thereafter.
- (iii) Interest is payable on the convertible note at 3% per annum.
- (iv) The amounts are paid in accordance with the relevant agreements for which the rental and management fee charge were set by reference to market value of similar transactions.

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26. 有關連人士交易及結存 續

(v) 二零零零年之結存,乃指按參照獨立專業物業估值師所進行估值後釐定之代價,向新鴻基地產集團購入之土地及樓宇。

(b) 與一名董事之交易

於本年內,本集團向提供專業服務予本集團及收取一般專業費用之律師行胡關李羅支付專業費用 2,831,000 港元(二零零零年: 6,108,000 港元)。張永銳先生為胡關李羅之合夥人。

(c) 與新鴻基地產集團之結存

與新鴻基地產集團之交易結存(包括其管理之樓宇/屋)計入下列項目:

應收賬項、訂金及預付款項
應收合約工程客戶款項
應付賬項及應計費用
應付合約工程客戶款項

該等交易結存為無抵押、免息及按與向無關連人士提供之相若條款支付。

新鴻基地產集團於二零零一年六月三十日所持有可換股票據之詳情載於附註 22。

(d) 與少數股東之交易

於本年內,本集團向若干少數股東支付之光纖接駁費用及利息分別為 10,255,000 港元(二零零零年:零)及 816,000 港元(二零零零年:零)。

(e) 與一聯營公司之交易

於本年內,本集團向一間其擁有 41% 股本權益之聯營公司分別收取項目收入 6,984,000 港元(二零零零年:零)及保養費用收入 480,000 港元(二零零零年:零)。此等交易乃參照市價進行。

(f) 與一投資對象公司之交易

於本年內,本集團向一間其擁有 5% 權益之公司購入價值 2,430,000 港元(二零零零年: 7,523,000 港元)之設備,並向其支付研究開發費用 3,480,000 港元(二零零零年: 8,218,000 港元)。此等交易乃參照市價進行。

26. Related Party Transactions and Balances *continued*

(v) The balance of 2000 represented the land and buildings purchased from shkp Group at a consideration by reference to valuation performed by an independent firm of professional property valuers.

(b) Transaction with a director

During the year, the Group paid usual professional fee of hk\$2,831,000 (2000: hk\$6,108,000) to Woo, Kwan, Lee & Lo, a solicitors firm which provided professional services to the Group and charged usual professional fee. Mr. Cheung Wing Yui is a partner of Woo, Kwan, Lee & Lo.

(c) Balances with shkp Group

Trading balances with shkp Group (including buildings/estates managed by it) are included under the following headings:

	2001	2000
Debtors, deposits and prepayments	24,791	28,209
Amounts due from customers for contract work	5,308	6,212
Creditors and accrued charges	(58,937)	(124,564)
Amounts due to customers for contract work	(1,034)	(224)

The trading balances are unsecured, interest-free and repayable in terms similar to those offered to unrelated parties.

Details of the convertible note which was held by shkp Group at 30 June 2001 are set out in note 22.

(d) Transactions with minority shareholders

During the year, the Group paid certain minority shareholders fiber connectivity charges and interest of hk\$10,255,000 (2000: nil) and hk\$816,000 (2000: nil) respectively.

(e) Transaction with an associate

During the year, the Group received project income and maintenance fee income amounting to hk\$6,984,000 (2000: nil) and hk\$480,000 (2000: nil) respectively from an associate in which the Group has a 41% equity interest. These transactions were carried out with reference to market prices.

(f) Transaction with an investee company

During the year, the Group acquired plant and equipment of hk\$2,430,000 (2000: hk\$7,523,000) from, and paid research and development expenses of hk\$3,480,000 (2000: hk\$8,218,000) to, a company in which the Group has a 5% interest. These transactions were carried out with reference to market prices.

27. 除稅前虧損與經營業務現金(流出)
流入淨額之對賬

27. Reconciliation of Loss Before Taxation to Net Cash (Outflow) Inflow
from Operating Activities

		2001	2000
除稅前虧損	Loss before taxation	(177,689)	(45,456)
分佔聯營公司業績	Share of result of an associate	6,564	-
分佔共同控制公司業績	Share of result of a jointly controlled entity	5	-
利息支出	Interest expenses	23,063	14,346
利息收入	Interest income	(134,907)	(109,562)
出售物業及設備之虧損	Loss on disposal of property, plant and equipment	208	106
重估投資物業之虧絀	Deficit on revaluation of investment properties	30,306	-
折舊	Depreciation	53,597	15,054
借予共同控制公司之貸款撥備	Provision for loan advanced to a jointly controlled entity	72	-
呆壞賬撥備	Provision for bad and doubtful debts	1,634	-
存貨增加	Increase in inventories	(811)	(2,583)
應收賬項、訂金及預付款項減少(增加)	Decrease (increase) in debtors, deposits and prepayments	3,646	(65,893)
應收合約工程客戶款項減少	Decrease in amounts due from customers for contract work	952	1,387
應付賬項及應計費用(減少)增加	(Decrease) increase in creditors and accrued charges	(59,185)	222,194
租金按金增加	Increase in rental deposits	330	1,865
應付合約工程客戶款項增加	Increase in amounts due to customers for contract work	2,305	104
未變現之匯兌差額	Unrealised exchange differences	492	-
經營業務現金(流出)流入淨額	Net cash (outflow) inflow from operating activities	(249,418)	31,562

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28. 本年內融資變動分析 28. Analysis of Changes in Financing During the Year

		應付新鴻基 地產集團款項	包括溢價 之股本	少數股東 權益	應付少數 股東款項	融資租約 負債	可換 股票據
		Amount due to shkp Group	Share capital including premium	Minority interests	Amounts due to minority shareholders	Obligations under finance lease	Convertible note
一九九九年七月一日	At 1 July 1999	577,007	-	-	-	-	-
新鴻基地產集團墊款	Advances from shkp Group	882,993	-	-	-	-	-
發行股份換取現金	Issue of shares for cash	-	3,581,100	-	-	-	-
股份發行開支	Shares issue expenses	-	(198,952)	-	-	-	-
一名少數股東注入資本	Capital injection from a minority shareholder	-	-	3	-	-	-
一名少數股東墊款	Advance by a minority shareholder	-	-	-	947	-	-
應付新鴻基地產集團款項 化作資本	Capitalisation of amount due to shkp Group	(730,000)	730,000	-	-	-	-
發行可換股票據	Issue of convertible note	(730,000)	-	-	-	-	730,000
新造一項融資租約	Inception of a finance lease	-	-	-	-	267	-
償還融資租約負債	Repayment of obligation under a finance lease	-	-	-	-	(51)	-
少數股東分佔虧損	Share of loss by minority shareholders	-	-	(2)	-	-	-
二零零零年六月三十日及 二零零零年七月一日之結存	Balance at 30 June 2000 and 1 July 2000	-	4,112,148	1	947	216	730,000
少數股東注入資本	Capital injection from minority shareholders	-	-	6,973	-	-	-
少數股東墊款	Advances by minority shareholders	-	-	-	39,337	-	-
新造一項融資租約	Inception of a finance lease	-	-	-	-	630	-
償還融資租約負債	Repayment of obligation under finance lease	-	-	-	-	(379)	-
少數股東分佔虧損	Share of loss by minority shareholders	-	-	(7,041)	-	-	-
購回本身之股份	Repurchase of own shares	-	(31,341)	-	-	-	-
匯兌差額	Exchange differences	-	-	215	-	-	-
二零零一年六月三十日	At 30 June 2001	-	4,080,807	148	40,284	467	730,000

29. 主要非現金交易

截至二零零零年六月三十日止年度，應付新鴻基地產集團之14.6億港元，其中7.3億港元藉將款項撥充資本作為新鴻基地產集團投資於本公司之方式償還，餘款則以轉換為可換股票據(附註22)之方式償還。

30. 經營租約承擔

於結算日，本集團與本公司就結算日後涉及土地及樓宇於下列日期到期且不可撤銷之經營租約之租金承擔如下：

		本集團 2001	The Group 2000	本公司 2001	The Company 2000
第一年内	Within one year	18,765	10,039	2,170	2,170
第二年至第五年(包括首尾兩年)	In the second to fifth years inclusive	25,011	23,370	1,293	3,463
第五年以上	Over five years	-	2,189	-	-
		<u>43,776</u>	<u>35,598</u>	<u>3,463</u>	<u>5,633</u>

31. 資本承擔

已訂約但未在財務報表撥備
收購物業及設備
投資證券
投資—附屬公司
投資—聯營公司

已授權但未訂約
收購物業及設備
投資證券
投資—附屬公司

於結算日，本公司並無資本承擔。

29. Major Non-Cash Transactions

During the year ended 30 June 2000, an amount due to shkp Group of hk\$1,460 million was settled as to hk\$730 million by capitalising the amount as an investment by shkp Group in the Company and as to the remaining balance by conversion into a convertible note (note 22).

30. Operating Lease Commitments

At the balance sheet date, the Group and the Company were committed to make rental payments in respect of land and buildings after the balance sheet date under non-cancellable operating leases which fall due as follows:

31. Capital Commitments

Contracted for but not provided in the financial statements
Acquisition of property, plant and equipment
Investments in securities
Investments in a subsidiary
Investments in an associate

Authorised but not contracted for
Acquisition of property, plant and equipment
Investments in securities
Investments in a subsidiary

The Company had no capital commitment at the balance sheet date.

本集團
2001

The Group
2000

14,538 264,328
159,686 352,592
- 21,195
20,500 -
194,724 638,115

7,264 10,000
- 155,924
- 1,085
7,264 167,009

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32. 未確認遞延稅項

於結算日,本集團之未確認遞延稅項(資產)
負債如下:

	本集團 The Group	
	2001	2000
因下列項目產生時差之稅務影響:	Taxation effect of timing differences arising as a result of:	
可供對銷日後應課稅溢利之稅項虧損	(69,916)	(30,528)
稅務所得之折舊免稅額超出於 財務報表扣除之折舊金額	21,169	11,838
遞延稅項資產淨額	<u>(48,747)</u>	<u>(18,690)</u>

本年度未確認之遞延稅項(減免)支出款項
如下:

	本集團 The Group	
	2001	2000
因下列項目產生時差之稅務影響:	Tax effect of timing differences arising as a result of:	
產生稅項虧損	(39,388)	(30,001)
稅務所得之折舊免稅額超出於 財務報表扣除之折舊金額	9,331	11,145
	<u>(30,057)</u>	<u>(18,856)</u>

由於未能確定利益將於短期內實現,故此未有在財務報表確認遞延稅項資產。

The deferred taxation asset has not been recognised in the financial statements as it is not certain that the benefit will be crystallised in the foreseeable future.

重估物業權益產生之盈餘並不構成稅務上之時差。

The surplus arising on revaluation of property interest does not constitute a timing difference for tax purposes.

本公司於本年內或結算日並無重大之未確認遞延稅項。

The Company had no significant unrecognised deferred taxation for the year or at the balance sheet date.

33. 退休福利計劃

自二零零零年十二月一日起，本集團為其於香港之所有僱員及兩名執行董事參與強制性公積金計劃(「強積金計劃」)。強積金計劃乃根據強制性公積金條例而於強制性公積金計劃管理局註冊。強積金計劃之資產由獨立信託人控制之基金管理，與本集團之資產分開。根據強積金計劃之規例，本集團及其僱員須各自按特定比率就計劃作出供款。本集團就強積金計劃之供款自收益表中扣除。於本年內，本集團支付之退休福利計劃供款為**3,577,000** 港元(二零零零年：零)。

本集團所有其他執行董事參與一項退休福利計劃，該計劃由新鴻基地產集團為所有合資格僱員設立。該計劃的資產與新鴻基地產集團的資產分開，由獨立管理及行政的基金持有。該計劃供款由僱主及僱員共同支付，供款額為僱員薪酬的百分之五至百分之十。

本年度於結算日並無沒收供款可供用作扣減未來數年應付之供款額。

34. 或然負債

本公司已就有關銀行授予其附屬公司約**83,000,000**港元(二零零零年：零)之一般信貸向銀行出具擔保。該等附屬公司於二零零一年六月三十日並無動用該筆信貸。

33. Retirement Benefits Scheme

With effect from 1 December 2000, the Group participates in Mandatory Provident Fund scheme (“ mpf Scheme”) for all its employees and two executive directors in Hong Kong. The mpf Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the mpf Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the mpf Scheme, the Group and its employees are each required to make contributions to the scheme at specific rates. Contributions of the Group to the mpf Scheme are charged to income statement as incurred. During the year, the retirement benefit scheme contributions borne by the Group amounted to **hk\$3,577,000** (2000: nil).

All other executive directors of the Group participate in a retirement benefit scheme which is operated by the shkp Group for all qualified employees. The assets of this scheme are held separately from those of the shkp Group in independently managed and administered funds. Contributions to this scheme are made by both the employer and employees at rates ranging from 5% to 10% on the employees’ salaries.

No forfeited contributions are available at the balance sheet date to reduce the contribution payable in the future years.

34. Contingent Liabilities

The Company has given guarantees to banks in respect of general facilities granted to its subsidiaries amounting to approximately **hk\$83 million** (2000: nil). No such facilities were utilised by the subsidiaries at 30 June 2001.

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財務報表附註 續

35. 主要附屬公司詳情

本公司之主要附屬公司(除另有說明外,此等附屬公司均為本公司全資擁有)於二零零一年六月三十日詳情如下:

35. Particulars of Principal Subsidiaries

Particulars of the Company's principal subsidiaries, all of which are wholly-owned except otherwise indicated, at 30 June 2001 are as follows:

附屬公司名稱 Name of subsidiary	已發行繳足股本 Issued and fully paid share capital	由本集團持有之應佔股本權益 Attributable equity interest held by the Group	主要業務 Principal activities
iAdvantage Limited*	Ordinary shares - hk\$2 Deferred shares - hk\$2	100%	Operation of Internet services centres and provision of system management services
互聯優勢有限公司*	普通股 - 2 港元 遞延股 - 2 港元		經營互聯網服務中心及提供系統管理服務
Sunevision Super e-T echnology Ser vices Limited* <i>formerly known as Super e-Technology Services Limited</i>	Ordinary shares - hk\$2 Deferred shares - hk\$2	100%	Installation of smatv, security system and it infrastructure network and provision of related maintenance services
新意網科技服務有限公司 前稱新科技服務有限公司	普通股 - 2 港元 遞延股 - 2 港元		安裝 smatv、保安系統及資訊科技基建網絡以及提供相關維修服務
Sunevision Super-Office (h.k.) Limited* <i>formerly known as Super-Office.net (h.k.) Limited</i>	hk\$2	100%	Provision of e-business and application solutions for business clients
新意網智誠(香港)有限公司 前稱 Super-Office.net (h.k.) Limited	2 港元		向商業客戶提供電子商務及應用方案
Sunevision SuperHome (h.k.) Limited* <i>formerly known as SuperHome.net (h.k.) Limited</i>	hk\$2	100%	Provision of Internet contents and services for estate management and home users
前稱 SuperHome.net (h.k.) Limited	2 港元		向屋宇管理及家居用戶提供互聯網內容及服務
Sunevision PropertyStreet (h.k.) Limited* <i>formerly known as PropertyStreet.net (h.k.) Limited</i>	hk\$2	100%	Provision of information services and products related to properties
新意網地產街有限公司 前稱地產街有限公司	2 港元		在互聯網上提供物業資訊及有關產品

35. 主要附屬公司詳情 續

35. Particulars of Principal Subsidiaries *continued*

附屬公司名稱	已發行繳足股本	由本集團持有 之應佔股本權益	主要業務
Name of subsidiary	Issued and fully paid share capital	Attributable equity interest held by the Group	Principal activities
Sunevision InsuranceStreet (h.k.) Limited * <i>formerly known as InsuranceStreet.net (h.k.) Limited</i> 前稱 <i>InsuranceStreet.net (h.k.) Limited</i>	hk\$2 2 港元	100%	Provision of insurance information and products on Internet 在互聯網上提供 保險資訊及產品
Sunevision BankingStreet (h.k.) Limited * <i>formerly known as BankingStreet.net (h.k.) Limited</i> 前稱 <i>BankingStreet.net (h.k.) Limited</i>	hk\$2 2 港元	100%	Provision of banking information and products on Internet 在互聯網上提供 銀行服務資訊及產品
Sunevision Red-Dots Limited * <i>formerly known as Red-Dots Limited</i> 新意網點點紅有限公司 前稱點點紅有限公司	Ordinary shares - hk\$2 Deferred shares - hk\$2 普通股 - 2 港元 遞延股 - 2 港元	100%	Provision of web-based auction and e-commerce services 提供網上拍賣 及電子商貿服務
Riderstrack Development Limited	us\$1 1 美元	100%	Property holding 物業持有
Splendid Sharp Limited*	Ordinary shares - hk\$2 Deferred shares - hk\$2 普通股 - 2 港元 遞延股 - 2 港元	100%	Property holding 物業持有
Sunevision Super e-Network Limited * <i>formerly known as Super e-Network Limited</i> 前稱 <i>Super e-Network Limited</i>	Ordinary shares - hk\$2 Deferred shares - hk\$2 普通股 - 2 港元 遞延股 - 2 港元	100%	Provision of it and optical fibre network and related maintenance services 提供資訊科技及光纖 網絡及相關維修服務
cst iAdvantage Co. Ltd. # (vi) 北京中科互聯優勢數據有限公司 # (vi)	rmb30,000,000 人民幣 30,000,000 元	75%	Operation of Internet services centres and provision of system management services 經營互聯網服務中心 及提供系統管理服務

Notes to the
Financial Statements
continued

for the year ended 30 June 2001, expressed in hk\$'000
截至二零零一年六月三十日止,以港幣千元計

財務報表附註 續

35. 主要附屬公司詳情 續

35. Particulars of Principal Subsidiaries *continued*

附屬公司名稱	已發行繳足股本	由本集團持有 之應佔股本權益	主要業務
Name of subsidiary	Issued and fully paid share capital	Attributable equity interest held by the Group	Principal activities
Cherington Assets Limited	us\$1 1 美元	100%	Holding of trademark 商標持有
Express Spirit Investment Limited	us\$1 1 美元	100%	Provision of treasury services 提供司庫服務
Huge Profit Investments Ltd.	us\$7 7 美元	100%	Investment holding 投資控股
Sunevision Investments Limited <i>formerly known as Merry Dragon Limited</i> <i>前稱 Merry Dragon Limited</i>	us\$5 5 美元	100%	Investment holding 投資控股
Sunevision Limited *	hk\$2 2 港元	100%	Liaison of business in the People's Republic of China 中華人民共和國業務聯絡
Sunevision (Management Services) Limited *	hk\$2 2 港元	100%	Provision of management services 提供管理服務
Sunevision Secretarial Services Limited *	hk\$2 2 港元	100%	Provision of company secretarial services 提供公司秘書服務
Top Merchant Investments Limited	us\$1 1 美元	100%	Property holding 物業持有
Sunevision Reinsurancemall Limited * <i>formerly known as Reinsurancemall.com Limited</i> <i>前稱 Reinsurancemall.com Limited</i>	hk\$2 2 港元	100%	Operation of an Internet reinsurance platform 經營互聯網再保險服務平台

35. 主要附屬公司詳情 續

附屬公司名稱

Name of subsidiary

Wingtai iAdvantage Pte. Ltd. @

Weelek Company Limited*

紀禮有限公司*

35. Particulars of Principal Subsidiaries *continued*

已發行繳足股本

Issued and
fully paid
share capital

Singapore \$500,000

500,000 坡元

Ordinary shares - hk\$200

Deferred shares - hk\$200

普通股 - 200 港元

遞延股 - 200 港元

由本集團持有

之應佔股本權益

Attributable equity
interest held
by the Group

69.62%

100%

主要業務

Principal activities

Operation of Internet
services centres and
provision of system
management services
經營互聯網服務中心
及提供系統管理服務

Property holding

物業持有

附註：

- (i) 除 Huge Profit Investments Ltd. 外，所有附屬公司由本公司間接持有。
- (ii) 除註明「*」、「#」及「@」之公司分別在香港、中國及新加坡註冊成立外，所有附屬公司均於英屬維爾京群島註冊成立。
- (iii) 除另有說明者外，附屬公司之已發行及繳足股本均為普通股。
- (iv) 遞延股份實際上並無權利收取股息或接收各公司的股東大會通告或出席股東大會並於會上投票或於該等公司清盤時可獲分派。
- (v) 除註明「#」及「@」之公司分別在中國及新加坡經營業務外，所有附屬公司為私人公司，主要營業地點為香港。
- (vi) 該公司為在中國成立之中外企業，經營期由二零零零年六月十二日起計為期30年。

上表列示董事認為影響本集團資產或業績之主要附屬公司。董事認為提供其他附屬公司之詳情將會使篇幅過於冗長。

於本年底或本年內任何時間，各附屬公司概無任何未償還之債務證券。

36. 通過財務報告

列於第 69 頁至第 105 頁之財務報告於二零零一年九月十七日獲董事會通過。

Notes:

- (i) Other than Huge Profit Investments Ltd., all subsidiaries are held by the Company indirectly.
- (ii) All subsidiaries are incorporated in British Virgin Islands, except those identified with an asterisk “*”, “#” and “@” which are incorporated in Hong Kong, the prc and Republic of Singapore respectively .
- (iii) Unless otherwise stated, the issued and fully paid share capital of the subsidiaries are ordinary shares.
- (iv) The deferred shares practically carry no rights to dividends or to receive notice of or to attend or vote at any of the respective companies’ general meetings or to participate in any distribution on their winding up.
- (v) All subsidiaries are private limited companies with their principal place of operation in Hong Kong, except those identified with an asterisk “#” and “@” which are operated in the prc and Republic of Singapore respectively .
- (vi) This is a sino-for-ign enterprise established in the prc with an operating period of 30 years commencing 12 June 2000.

The above table lists the subsidiaries which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

36. Approval of Financial Statements

The financial statements set out on pages 69 to 105 were approved by the Board of Directors on 17 September 2001.

Particulars of Properties Held by the Group

at 30 June 2001

集團持有物業概要 於二零零一年六月三十日

Particulars 詳情

Land and buildings 土地及樓宇

mega-iAdvantage, 399 Chai Wan Road
1 Shun Yip Street, Chai Wan, Hong Kong
香港柴灣柴灣道 399 號及新業街 1 號 mega-iAdvantage

Units 1 to 19 on Level 36, Tower II, Millennium City
388 Kwun Tong Road, Kwun Tong, Kowloon
九龍觀塘觀塘道 388 號創紀之城二期 36 樓 1 至 19 號單位

48 workshop units in Kodak House 11
39 Healthy Street East, North Point, Hong Kong
香港北角健康東街 39 號柯達大廈第二期 48 個工場單位

jumbo-iAdvantage, 145-159 Yeung Yuk Road
Tsuen Wan, New Territories
新界荃灣楊屋道 145-159 號 jumbo-iAdvantage

Investment properties 投資物業

Units 1 to 19 on Levels 31 to 33, 35 and 37, Tower 11, Millennium City
388 Kwun Tong Road, Kwun Tong, Kowloon
九龍觀塘觀塘道 388 號創紀之城二期 31 至 33、35 及 37 樓 1 至 19 號單位

Analysis of the Group's Turnover and Operating Results

expressed in hk\$'000

集團營業額及營運業績分析 以港幣千元計

本集團營業額及營運業績按主要業務分析如下： An analysis of the Group's turnover and operating results by principal activities is as follows:

		營業額 Turnover	營運業績 Operating results
主要業務	Principal activities		
客戶使用互聯網服務中心、廣告宣傳、互聯網設施及相關服務之收入	Income from customers use of Internet services centres, advertising, Internet facilities and related services	92,293	(150,394)
smatv、鋪設電纜及保安系統之安裝及保養費	Installation and maintenance fee of smatv, structural cabling and security systems	56,889	5,542
輔強服務之收入	Income from enabling services	29,658	(62,712)
物業租金及管理費收入	Property rent and management income	18,781	12,892
		<u>197,621</u>	
			(194,672)
其他收入	Other revenue		153,389
其他營運開支	Other operating expenses		(76,468)
財務費用	Finance costs		(23,063)
			<u>(140,814)</u>

本集團 90% 以上業務均位於香港，而本集團大部份營業額及營運虧損均來自香港。

More than 90% of the activities of the Group are based in Hong Kong and most of the Group's turnover and loss from operations are derived from Hong Kong.