
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SUNeVision Holdings Ltd.**, you should at once hand this circular, together with the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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sun^eVISION
SUNeVision Holdings Ltd.
新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF THE TRANSACTIONS REQUIRING APPROVAL

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders
in relation to the Transactions Requiring Approval**



Kingsway Capital Limited

A letter from Kingsway Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 26 of this circular.

A notice dated 7 June 2005 convening an extraordinary general meeting of SUNeVision Holdings Ltd. to be held at 53/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 3:00 p.m. on 23 June 2005 to consider and, if thought fit, to pass the ordinary resolution as set out on pages 38 to 39 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so desire.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for a minimum period of 7 days from the date of publication.

7 June 2005

CHARACTERISTICS OF GEM

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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DEFINITIONS

In this circular, the following expressions shall have the meanings unless the context requires otherwise:

“associate(s)”	has the meaning ascribed under the GEM Listing Rules (as may be amended from time to time)
“Board”	the Board of Directors
“CABD”	Communal Aerial Broadcasting Distribution, the traditional means of receiving free-to-air programming via a roof-top aerial
“Company”	SUNeVision Holdings Ltd. 新意網集團有限公司, a company incorporated in the Cayman Islands whose shares are listed on GEM
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, the Transactions Requiring Approval and the respective annual caps
“Existing Approval”	the approval by the then independent Shareholders in respect of, inter alia, the Transactions Requiring Approval
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the board of Directors consisting of the independent non-executive Directors

DEFINITIONS

“Independent Shareholders”	Shareholders other than SHKP and its associates
“Independent Shareholders’ Approval”	the approval of the Independent Shareholders
“IT”	information technology incorporating Internet related services and business
“Kingsway Capital”	Kingsway Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Latest Practicable Date”	2 June 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Maintenance Arrangement”	the maintenance and repair services of network infrastructure and security systems provided or to be provided by the Group to the SHKP Group as defined in paragraph 3.II of this circular
“Networking Arrangement”	the installation, operation and provision of cable networking services provided or to be provided by the Group to the SHKP Group as defined in paragraph 3.I of this circular
“percentage ratios”	the percentage ratios determined in accordance with Chapter 19 of the GEM Listing Rules
“PRC”	the People’s Republic of China
“Relevant Historical Periods”	the two financial years respectively ended 30 June 2003 and 30 June 2004 and the six-month period ended 31 December 2004
“RMB”	Renminbi
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company (or such nominal amount as a result from a sub-division, consolidation, reclassification or reconstruction of the share capital from time to time)

DEFINITIONS

“Shareholders”	holders of the Shares
“SHKP”	Sun Hung Kai Properties Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange
“SHKP Group”	SHKP, its subsidiaries and its associates from time to time, but excluding the Group
“SMATV”	Satellite Master Antenna Television System
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super e-Network”	SUNeVision Super e-Network Limited, a subsidiary of the Company
“Super e-Tech”	SUNeVision Super e-Technology Services Limited, a subsidiary of the Company
“Transactions Requiring Approval”	the transactions under the Maintenance Arrangement and Networking Arrangement
“US\$”	United States Dollars
“%”	per cent.

In this circular, RMB has been converted to HK\$ at the rate of RMB1.06 = HK\$1 and US\$ has been converted to HK\$ at the rate of HK\$7.8 = US\$1 for illustration purpose only. No representation is made that any amounts in RMB, HK\$ or US\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



sunEvision
SUNeVision Holdings Ltd.
新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

Executive Directors:

Kwok Ping-luen, Raymond
Kwok Ping-sheung, Walter
Kwok Ping-kwong, Thomas
So Sing-tak, Andrew
Chan Kui-yuen, Thomas
Wong Yick-kam, Michael
Leung Kui-king, Donald
So Chung-keung, Alfred
Tung Chi-ho
Wong Chin-wah
Tung Yiu-kwan, Stephen

Registered Office:

P O Box 309, Uglan House
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Grand Cayman
Cayman Islands
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Head Office and Principal Place of Business:

MEGATOP, Mega-iAdvantage
399 Chai Wan Road
Chai Wan
Hong Kong

Non-Executive Director:

Cheung Wing-yui

Independent Non-Executive Directors:

Kao Kuen, Charles
Li On-kwok, Victor
Fong Ching, Eddy

7 June 2005

To the Shareholders

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF THE TRANSACTIONS REQUIRING APPROVAL**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 23 May 2005. Pursuant to the requirements of the GEM Listing Rules, the Company is required to seek

LETTER FROM THE BOARD

Independent Shareholders' Approval in relation to the Transactions Requiring Approval which will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules, and the respective annual caps.

The purpose of this circular is to provide you with further information regarding the Transactions Requiring Approval and to seek your approval of the ordinary resolution to be proposed at the EGM.

2. THE RENEWAL OF THE TRANSACTIONS REQUIRING APPROVAL

Background

The Group has been carrying on, inter alia, the Transactions Requiring Approval. At the extraordinary general meeting of the Company held on 9 June 2003, the then independent Shareholders approved, inter alia, the Transactions Requiring Approval and the annual cap for transactions under each category of the Transactions Requiring Approval for a period up to 30 June 2005. Details of, inter alia, the Transactions Requiring Approval were disclosed in the announcement and circular of the Company dated 6 May 2003 and 23 May 2003 respectively. The period covered by the then independent Shareholders' approval in respect of, inter alia, the Transactions Requiring Approval will expire on 30 June 2005.

It is expected that the Group and the SHKP Group will from time to time continue to enter into transactions of a nature similar to the Transactions Requiring Approval after the expiry of the period covered by the Existing Approval on 30 June 2005. On 23 May 2005, the Company entered into agreements in relation to, inter alia, each category of the Transactions Requiring Approval with SHKP each for a term of three years commencing from 1 July 2005 and ending on 30 June 2008.

Relationship with SHKP and Independent Shareholders' Approval

As at the Latest Practicable Date, SHKP indirectly owns an aggregate of 1,719,427,500 Shares representing approximately 84.84% of the entire issued share capital of the Company. SHKP is therefore a substantial shareholder of the Company. As such, SHKP and its associates are connected persons of the Company under the GEM Listing Rules for so long as SHKP remains a substantial shareholder of the Company. Hence, transactions of each category of the Transactions Requiring Approval will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules, and will be subject to reporting, announcement, annual review and the Independent Shareholders' Approval requirements pursuant to the GEM Listing Rules. The Company will seek the Independent Shareholders' Approval (by way of poll) in relation to each category of the Transactions Requiring Approval and the respective annual caps.

LETTER FROM THE BOARD

3. THE TRANSACTIONS REQUIRING APPROVAL

Details of the Transactions Requiring Approval are as follows.

I. Installation, operation and provision of cable networking by the Group for buildings owned and/or managed by the SHKP Group

Background

Super e-Network and Super e-Tech have been providing and they will continue to provide, and other members of the Group may in the future provide, services to members of the SHKP Group in connection with the design, installation, operation and provision of SMATV/CABD and other security systems and laying of network cabling system (such as voice and data network, building services access, and power supply), optical fiber network, broadband network and other IT infrastructure network in buildings owned and/or managed by the SHKP Group (the “**Networking Arrangement**”). The Group charges and will continue to charge the relevant members of the SHKP Group service fees for the provision of such services.

The new agreement

On 23 May 2005, the Company and SHKP entered into a new agreement whereby the Company had agreed to procure relevant members of the Group to provide services contemplated under the Networking Arrangements to members of the SHKP Group for a period from 1 July 2005 to 30 June 2008. This agreement is conditional upon the obtaining of the Independent Shareholders’ Approval, and is a master agreement which sets out the principles upon which detailed terms are to be determined between the Company and SHKP in respect of each transaction to be carried out pursuant to the Networking Arrangement. The said principles include the services provided by the Group to the SHKP Group pursuant to the Networking Arrangement shall be on normal commercial terms or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms which are fair and reasonable to the Group. In particular, with respect to the payment terms for the services provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the payment terms to be offered by the Group to the SHKP Group shall be no less favourable to the Group than the payment terms that may be offered to the SHKP Group by other independent third party service providers for such services; and for those services where no other service providers are able to meet the requirements of the SHKP Group, the payment terms shall be fair and reasonable to the Group. The new agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 6 May 2003 which is due to expire on 30 June 2005.

LETTER FROM THE BOARD

The Group was informed by SHKP that in deciding which service provider is to be engaged, the SHKP Group may invite bidders for the services required by the SHKP Group and will then select bidders whom it considers are able to offer the most attractive terms for the services concerned taking into account all relevant factors including the price, the quality of work and schedule of completion offered by the service providers.

Relevant members of the Group and the SHKP Group have entered into and will enter into definitive agreements providing the terms of each single transaction for the provision of the different types of services pursuant to the arrangement from time to time. The fees payable by the SHKP Group to the Group will be in accordance with such definitive agreements concluded between the Group and the SHKP Group.

The historical amounts

Under the Existing Approval, the annual cap for the Networking Arrangement for the financial year ended 30 June 2004 and the financial year ending 30 June 2005 was HK\$39,000,000. The following table sets out the aggregate service fees received by the Group under the Networking Arrangement during the Relevant Historical Periods:—

<i>Period</i>	<i>Approximate Amount (HK\$)</i>
Financial year ended 30 June 2003	42,107,000
Financial year ended 30 June 2004	25,168,000
Six months period ended 31 December 2004	9,870,000

The decrease in the aggregate service fees received by the Group for the financial year ended 30 June 2004 as compared to the amount received in the financial year ended 30 June 2003, and the possible decrease in those receivable for the financial year ending 30 June 2005 as compared to the those received in the previous two financial years is mainly due to the decline in the level of demand for services required during the respective periods. The level of demand of the services under the Networking Arrangement is principally affected by (a) the number of property developments constructed, completed and/or launched to the market in the relevant financial year, (b) the standard of facilities that a particular development project is to be equipped with, and (c) the number of projects that

LETTER FROM THE BOARD

the Group was able to get from the SHKP Group. The decline in the aggregate service fees received or expected to be received by the Group in the Relevant Historical Periods is mainly attributable to:—

- (i) the decrease in the number of projects successfully obtained by the Group; and
- (ii) the provision of the advanced technology facilities covered by the Networking Arrangement was comparatively not in great demand for development projects launched to the market during the Relevant Historical Periods.

Proposed annual cap and basis of cap

It is expected that the amount of service fees to be received by the Group in respect of the Networking Arrangement during each of the three financial years ending 30 June 2008 will not exceed HK\$45,000,000. The proposed annual cap is determined by reference to the historical value of such transactions, projected level of demand of such services by members of the SHKP Group and the anticipated level of fees which the Group may charge in respect of such services.

It is expected that the level of demand for the services will increase, while there will be no material change in the anticipated level of fees chargeable by the Group. The expected increase of level of demand is mainly due to:—

- (i) the property market conditions have become more favourable when compared to the previous financial years; and
- (ii) the increase in the demand for luxurious accommodation, and that it has become more common that advanced technology facilities are to be installed in such accommodation.

The Networking Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors confirm that, in view of the fact that the Group has to bid for the projects, the Networking Arrangement has been and will continue to be negotiated on an arm's length basis, on normal commercial terms. The Directors further confirm that in respect of the payment terms for the services provided, for those services where there are available market rates for comparable services, the payment terms have been and will continue to be no less favourable to the Group than the payment terms that may be offered to the SHKP Group by other independent third party service providers for such services and for those services where no other service providers are able to meet the requirements of the SHKP Group, the payment terms have been and will continue to be fair and reasonable to the Group.

LETTER FROM THE BOARD

II. Maintenance and repair of network infrastructure and security systems by the Group for buildings owned and/or managed by the SHKP Group

Background

Super e-Network and Super e-Tech have been engaged and they will continue to be engaged, and other members of the Group may in the future be engaged, by certain members of the SHKP Group to carry out maintenance and repair works for SMATV/CABD and other security systems and cabling systems (such as voice and data network, building services access, and power supply), optical fiber network, broadband network, computer systems and other IT infrastructure networks in buildings owned and/or managed by the SHKP Group (the “**Maintenance Arrangement**”). The Group charges and will continue to charge fees for services provided under the Maintenance Arrangement after the expiry of the warranty periods of the cable, broadband, computer systems and other IT infrastructure networks and security systems provided, installed or laid by the Group.

The new agreement

On 23 May 2005, the Company and SHKP entered into a new agreement whereby the Company had agreed to procure relevant members of the Group to provide services contemplated under the Maintenance Arrangement to members of the SHKP Group for a period commencing on 1 July 2005 and ending on 30 June 2008. This agreement is conditional upon the obtaining of the Independent Shareholders’ Approval, and is a master agreement which sets out the principles upon which detailed terms are to be determined in relation to each transaction to be carried out pursuant to the Maintenance Arrangement. The said principles include the services provided by the Group to the SHKP Group pursuant to the Maintenance Arrangement shall be on normal commercial terms or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms which are fair and reasonable to the Group. In particular, with respect to the payment terms for the services provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale, the quality and the duration of services required), the payment terms to be offered by the Group to the SHKP Group shall be no less favourable to the Group than the payment terms that may be offered to the SHKP Group by other independent third party service providers; and for those services where no other service providers are able to meet the requirements of the SHKP Group, the payment terms shall be fair and reasonable to the Group. The new agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 6 May 2003 which is due to expire on 30 June 2005.

LETTER FROM THE BOARD

The Group was informed by SHKP that in deciding which service provider is to be engaged, the SHKP Group may invite bidders for the services required and will then select bidders whom it considers are able to offer the most attractive terms taking into account all relevant factors, including the price, the quality of work and schedule of completion offered by the service providers.

Relevant members of the SHKP Group have entered into and will enter into separate and definitive agreements with members of the Group to provide for the detailed terms of service to be provided pursuant to the Maintenance Arrangement. The fees chargeable to the SHKP Group will be in accordance with such definitive agreements concluded between the Group and the SHKP Group.

The historical amounts

Under the Existing Approval, the annual cap for Maintenance Arrangement for the financial year ended 30 June 2004 and the financial year ending 30 June 2005 was HK\$42,000,000. The following table sets out the aggregate amount of service fees received by the Group under the Maintenance Arrangement during the Relevant Historical Periods:—

<i>Period</i>	<i>Approximate Amount (HK\$)</i>
Financial year ended 30 June 2003	35,991,000
Financial year ended 30 June 2004	34,463,000
Six months period ended 31 December 2004	18,162,000

Proposed annual cap and basis of cap

It is expected that the service fees in respect of the Maintenance Arrangement to be received by the Group during each of the three financial years ending 30 June 2008 will not exceed HK\$56,000,000.

The proposed annual cap is determined by reference to the historical value of such transactions, projected level of demand of such services by members of the SHKP Group and the anticipated level of fees at which the Group may charge in respect of such services. It is expected that the level of demand of such services would increase in the forthcoming three financial years. Some of the buildings owned and/or managed by the SHKP Group equipped with the facilities covered by the Maintenance Arrangement were relatively new at the time the Maintenance Arrangement were entered into a number of years ago. As a result of fair wear and tear, the frequency and extent of routine maintenance and repair work which may be required on such facilities are expected to be increased in the coming years. Furthermore, residents or incorporated owners of certain buildings covered by the Maintenance Arrangement had previously requested the Group, and the

LETTER FROM THE BOARD

Group has granted, one-off reductions in the services fees chargeable by the Group. It is expected that the said reductions in service fees may not continue in the forthcoming three financial years. Thus it is expected that the amount of services fees to be received by the Group under the Maintenance Arrangement in the coming three years would increase as compared to the past. However, it is expected that there would be no material change to the rate of service fees chargeable by the Group.

The Maintenance Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors confirm that in view of the fact that the Group has to bid for the projects under the Maintenance Arrangement as set out above, the Maintenance Arrangement has been and will continue to be negotiated on an arm's length basis, on normal commercial terms. The Directors further confirm that in respect of the payment terms for the services provided, for those services where there are available market rates for comparable services, the payment terms have been and will continue to be no less favourable to the Group than the payment terms that may be offered to the SHKP Group by other independent third party service providers, and for those services where no other service providers are able to meet the requirements of the SHKP Group, the payment terms have been and will continue to be fair and reasonable to the Group.

4. REASONS FOR ENTERING INTO THE TRANSACTIONS REQUIRING APPROVAL

The Directors consider that the Transactions Requiring Approval (i) comprise an important part of the principal businesses of the Group and significantly contribute to the Group's turnover and revenue, (ii) are in line with the existing activities of the Group, and (iii) could further strengthen the Group's position as an IT infrastructure and enabling services provider in the market. The Directors further consider that the Transactions Requiring Approval have been and will be conducted in the ordinary and usual course of business of the Group and on an arm's length basis, on normal commercial terms or on terms no less favourable than those available from or to independent third parties (as the case may be), and the terms of the Transactions Requiring Approval are fair and reasonable and the Transactions Requiring Approval are in the interests of the Company and the Shareholders as a whole. As such, the Directors consider that it is beneficial to the Group for the Group to enter into the Transactions Requiring Approval.

5. BUSINESS OF THE GROUP AND SHKP AND ITS SUBSIDIARIES

The principal activity of the Company is investment holding. The Group is principally engaged in the business of providing IT infrastructure and enabling services. The principal activities of SHKP and its subsidiaries are development of and investment in properties for sale and rental purpose.

LETTER FROM THE BOARD

6. INDEPENDENT SHAREHOLDERS' APPROVAL

In respect of each category of the Transactions Requiring Approval, as it is anticipated that the applicable percentage ratios in respect of the transactions contemplated thereunder (when separately aggregated) will, on an annual basis, be more than 2.5% but less than 25% and the annual consideration is more than HK\$10,000,000, such transactions will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules. The Company will be subject to the reporting, announcement, annual review and the Independent Shareholders' Approval requirements pursuant to Rules 20.45 to 20.54 of the GEM Listing Rules in relation to those transactions.

Approval sought

The Company seeks the Independent Shareholders' Approval by way of poll for the Group to conduct each category of the Transactions Requiring Approval for the period from 1 July 2005 up to 30 June 2008 on the condition that each category of the transactions (when separately aggregated) shall not exceed the relevant annual cap set out below:—

	Category of the Transactions Requiring Approval	Proposed annual cap (HK\$) for each of the three financial years of the Company ending 30 June 2008
A.	Networking Arrangement	45,000,000
B.	Maintenance Arrangement	56,000,000

If there are changes or updates in any terms of the agreements for the Transactions Requiring Approval mentioned above or the relevant caps stated above are exceeded or that the Company and any connected persons (as defined under the GEM Listing Rules) reach any new arrangements, the Company will have to comply with the relevant provisions of Chapter 20 of the GEM Listing Rules, unless the Company reports to the Stock Exchange and is granted an exemption.

An ordinary resolution will be proposed at the EGM to approve by way of poll the Transactions Requiring Approval and the proposed respective annual caps mentioned above. As required under the GEM Listing Rules, SHKP and its associates will abstain from voting at the EGM in respect of the ordinary resolution.

LETTER FROM THE BOARD

As far as the Company was aware having made all reasonable enquiries, as at the Latest Practicable Date:—

- (a) SHKP and its associates controlled or were entitled to exercise control over the voting right in respect of their respective Shares;
- (b) (i) there was no voting trusts or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any of SHKP or its associates;
- (ii) there were no obligation or entitlement of SHKP or its associates, whereby it/they had or might have temporarily or permanently passed control over the exercise of the voting right in respect of its/their Shares to a third party, either generally or on a case-by-case basis; and
- (c) there is no discrepancy between the beneficial shareholding interest of SHKP or its associates in the Company as disclosed in this circular and the number of Shares in respect of which it/they would control or would be entitled to exercise control over the voting right at the EGM where an ordinary resolution will be proposed to approve the Transactions Requiring Approval and the respective caps.

The Independent Board Committee has been appointed to advise the Independent Shareholders on whether the terms of the Transactions Requiring Approval are fair and reasonable and whether the Transactions Requiring Approval are in the interests of the Company and the Shareholders as a whole. Kingsway Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Transactions Requiring Approval are fair and reasonable and whether the Transactions are in the interests of the Company and the Shareholders as a whole.

7. EXTRAORDINARY GENERAL MEETING

A notice to convene the EGM to be held at 53/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on 23 June 2005 at 3:00 p.m. is set out on pages 38 to 39 of this circular.

An announcement on the outcome of the EGM will be made by the Company after conclusion of the EGM.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM if they so wish.

8. RIGHT TO DEMAND POLL

Subject to the requirements under the GEM Listing Rules, pursuant to Article 76 of the articles of association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:—

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so required under the GEM Listing Rules or demanded and, in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

LETTER FROM THE BOARD

9. RECOMMENDATION

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 16 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Transactions Requiring Approval and (b) the letter from Kingsway Capital set out on pages 17 to 26 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Transactions Requiring Approval, the principal factors and reasons considered by Kingsway Capital in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of Kingsway Capital, considers that the terms of the Transactions Requiring Approval and the respective annual caps are fair and reasonable so far as the Group and the Independent Shareholders are concerned and the Transactions Requiring Approval are in the interests of the Group and the Independent Shareholders as a whole.

By order of the Board

Kwok Ping-luen, Raymond

Chairman and Chief Executive Officer



sunEvision
SUNeVision Holdings Ltd.
新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

7 June 2005

To the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF THE TRANSACTIONS REQUIRING APPROVAL

We refer to the circular dated 7 June 2005 issued to the Shareholders (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As the Independent Board Committee, we have been appointed by the Board to advise the Independent Shareholders on whether the terms of the Transactions Requiring Approval are fair and reasonable so far as the Independent Shareholders are concerned. Details of the Transactions Requiring Approval are set out in the text of the letter from the Board as set out on pages 4 to 15 of the Circular.

We wish to draw your attention to the letter of advice from Kingsway Capital as set out on pages 17 to 26 of the Circular which contains, inter alia, its advice and recommendation to us as regards the terms of the Transactions Requiring Approval together with the principal factors and reasons for its advice and recommendation.

Having considered, among other matters, the factors and reasons considered by, and the opinions of, Kingsway Capital as stated in its aforementioned letter of advice, we consider that the terms of the Transactions Requiring Approval and the respective annual caps are fair and reasonable so far as the Group and the Independent Shareholders are concerned and the Transactions Requiring Approval are in the interests of the Group and the Independent Shareholders as a whole. And accordingly we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transactions Requiring Approval and the respective annual caps.

Yours faithfully,

For and on behalf of

the Independent Board Committee

Kao Kuen, Charles Li On-kwok, Victor

Fong Ching, Eddy

Independent non-executive Directors

LETTER FROM KINGSWAY CAPITAL

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Kingsway Capital dated 7 June 2005 prepared for incorporation in this circular.



Kingsway Capital Limited
5/F, Hutchison House,
10 Harcourt Road, Central, Hong Kong

7 June 2005

*To the Independent Board Committee and the Independent Shareholders of
SUNeVision Holdings Ltd.*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF THE TRANSACTIONS REQUIRING APPROVAL

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions (the “Continuing Connected Transactions”) contemplated under the renewed master agreements regarding the Networking Arrangement and the Maintenance Arrangement (the “Master Agreements”), for which the Independent Shareholders’ Approval on the Networking Arrangement and the Maintenance Arrangement and the applicable annual caps (the “Annual Caps”) are being sought.

The Group had entered into the existing agreements with SHKP Group in the past for the provision of services under, inter alia, the Networking Arrangement and the Maintenance Arrangement and these transactions are of a recurrent nature. As at the Latest Practicable Date, SHKP indirectly owns an aggregate of 1,719,427,500 Shares, representing approximately 84.84% of entire issued share capital of the Company. Accordingly SHKP and its associates are considered as connected persons of the Company, the transactions contemplated under the Networking Arrangement and the Maintenance Arrangement constitute continuing connected transactions for the Company under the GEM Listing Rules. The period covered by the Existing Approval will expire on 30 June 2005. As the Group will continue to conduct transactions under the Maintenance Arrangement and Networking Arrangement, the Directors propose to seek Independent Shareholders’ Approval of the Continuing Connected Transactions and the Annual Caps by poll at the EGM. SHKP and its associates will be required to abstain

LETTER FROM KINGSWAY CAPITAL

from voting on the ordinary resolution. Details of the Continuing Connected Transactions and the Annual Caps are contained in the “Letter from the Board” set out in the circular to the Shareholders dated 7 June 2005 (the “Circular”), of which this letter forms part. The terms used in this letter shall have the same meaning as those defined in the Circular unless the context otherwise specifies.

The Independent Board Committee comprising the independent non-executive Directors, namely Professor Kao Kuen, Charles, Professor Li On-kwok, Victor and Dr. Fong Ching, Eddy, has been established to make recommendation to the Independent Shareholders as regards the Continuing Connected Transactions and the Annual Caps. We have been appointed by the Independent Board Committee to give our opinion in relation to the Continuing Connected Transactions and the Annual Caps for the Independent Board Committee’s consideration when making their recommendation to the Independent Shareholders. In our capacity as the independent financial advisers to the Independent Board Committee and the Independent Shareholders, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion and recommendation as to whether (1) the Continuing Connected Transactions are in the interests of the Company and its Shareholders as a whole; and (2) the terms of Continuing Connected Transactions and the Annual Caps are fair and reasonable as far as the interests of the Independent Shareholders are considered.

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and/or its senior management staff and/or the executive Directors. The Directors have declared in a responsibility statement set out in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained in the Circular. We have also assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Company and/or its senior management staff and/or the executive Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations made or provided by the executive Directors and/or the senior management staff of the Company contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or its senior management staff and/or the executive Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all currently available information and documents which are available to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and/or its senior management staff and/or the executive Directors or to believe that material information has been withheld or omitted from

LETTER FROM KINGSWAY CAPITAL

the information provided to us or referred to in the aforesaid documents. We have not, however, carried out an independent verification of the information provided, nor have we conducted an independent investigation into the business and affairs of the Company, SHKP Group or any of its subsidiaries.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions and the Annual Caps, we have considered the principal factors and reasons set out below:

(i) Background and reasons

(a) Information on the Group and SHKP Group

The Group is principally engaged in the business of providing IT infrastructure and enabling services. The principal activities of the SHKP Group are development of and investment in properties for sale and rental purpose.

Super e-Network and Super e-Tech, both being subsidiaries of the Company, have been providing and they will continue to provide, and other members of the Group may in the future provide, services to members of the SHKP Group in connection with (1) the design, installation, operation and provision of SMATV/CABD and other security systems and laying of network cabling system (such as voice and data network, building services access, and power supply), optical fiber network, broadband network and other IT infrastructure network in buildings owned and/or managed by the SHKP Group; and (2) the maintenance and repair works for SMATV/CABD and other security systems and cabling systems (such as voice and data network, building services access, and power supply), optical fiber network, broadband network, computer systems and other IT infrastructure networks in buildings owned and/or managed by the SHKP Group.

The Directors consider that the Continuing Connected Transactions are in line with the existing activities of the Group and could further strengthen the Group's position as an IT infrastructure and enabling services provider in the market.

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(b) Amount of previous transactions

Set out below are the amounts of turnover received by the Group under the Maintenance Arrangement and Networking Arrangement during the two financial years ended 30 June 2004 and the six months period ended 31 December 2004.

Maintenance Arrangement

	The approximate amount of turnover received from SHKP Group (HK\$)	The approximate amount of the Group's total turnover (HK\$)
The financial year ended 30 June 2003 (audited)	35,991,000	242,770,000
The financial year ended 30 June 2004 (audited)	34,463,000	227,822,000
The six months period ended 31 December 2004 (unaudited)	18,162,000	120,390,000

Networking Arrangement

	The approximate amount of turnover received from SHKP Group (HK\$)	The approximate amount of the Group's total turnover (HK\$)
The financial year ended 30 June 2003 (audited)	42,107,000	242,770,000
The financial year ended 30 June 2004 (audited)	25,168,000	227,822,000
The six months period ended 31 December 2004 (unaudited)	9,870,000	120,390,000

For each of the two financial years ended 30 June 2004 and the six months period ended 31 December 2004, the aggregate amount of turnover received by the Group from SHKP Group under the Maintenance Arrangement and Networking Arrangement amounted to approximately HK\$78.1 million, HK\$59.6 million and HK\$28.0 million respectively, which represent approximately 32.2%, 26.2% and 23.3% of the total turnover of the Group during the corresponding year or period. Therefore, we consider that (1) the Continuing Connected Transactions comprise

LETTER FROM KINGSWAY CAPITAL

an important part of the principal business of the Group; and (2) could further strengthened the Group's position as an IT infrastructure and enabling services provider in the market. Having taken into account the above and (1) the transactions contemplated under the Maintenance Arrangement and Networking Arrangement are in line with the existing activities of the Group; and (2) the positive contributions from the Maintenance Arrangement and Networking Arrangement to the Group's turnover since the listing of the Company in March 2000, we are of the view that it is justifiable for the Company to continue and maintain the present business relationship with the SHKP Group through the Maintenance Arrangement and Networking Arrangement. Shareholders should note that the terms of transactions contemplated under the Maintenance Arrangement and Networking Arrangement have been and will continue to be conducted on normal commercial terms or on terms no less favourable than terms available to independent third parties as described in the paragraph headed "The pricing basis for the Continuing Connected Transactions" below. Accordingly, we consider that it is fair and reasonable for the Group to enter into the Master Agreements.

(ii) The pricing basis for the Continuing Connected Transactions

(a) The terms of the Master Agreements

Shareholders should note that the Master Agreements do not impose any contractual obligation for the Group to provide its service to SHKP Group. As stated in the "Letter from the Board", the SHKP Group may invite bidders, including the Group and other independent service providers, for the services required by the SHKP Group and will then select bidders whom it considers are able to offer the most attractive terms for the services concerned taking into account all relevant factors including the price, the quality of work and schedule of completion offered by the service providers. As a result, the Group may or may not be awarded service contracts during the tendering process. If the Group is awarded service contracts during the tendering process, relevant members of the Group and the SHKP Group will enter into definitive agreements which specify the fees payable by the SHKP Group to the Group.

As stated in "Letter from the Board", the Master Agreements set out the principles upon which detailed terms are to be determined between the Company and SHKP Group in respect of each transaction to be carried out pursuant to the Maintenance Arrangement and Networking Arrangement. The said principles include the service provided by the Group to the SHKP Group pursuant to the Maintenance Arrangement and Networking Arrangement shall be on normal commercial terms or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms which are fair and reasonable and on arm's length basis to the Group. In particular, with respect to the payment terms

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for the services provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the payment terms to be offered by the Group to the SHKP Group shall be no less favourable to the Group than the payment terms that may be offered to the SHKP Group by other independent third parties service providers for such services; and for those services where no other service providers are able to meet the requirements of the SHKP Group, the payment terms shall be fair and reasonable to the Group.

Shareholders should note that the Master Agreements are in essence of substantially the same terms as those under the previous agreement which were approved by the then independent Shareholders at the extraordinary general meeting of the Company held on 9 June 2003.

(b) Pricing basis for the comparable transactions

We are informed that the Group has also provided similar services to its independent third party customers.

We have also reviewed the relevant documents and discussed with the management of the Company on the underlying pricing bases of the project services assigned by the Group's customers (including SHKP Group and independent third party customers). Based on such review and discussion, we understand that scope of work and materials involved in the Group's services projects are normally different depending on the scale, the quality and the duration of services required. In addition, the actual service fee to be charged by the Group to its customers (including SHKP Group and independent third party customers) will be determined on a case-by-case basis after taking into account the actual quantity of work done and materials supplied.

We have ascertained with the management of the Company and have been confirmed that the transactions contemplated under the Maintenance Arrangement and Networking Arrangement are conducted in accordance with similar terms and conditions as compared to those of the transactions entered into between the Group and independent third party customers and on normal commercial terms (on arm's length basis or on terms no less favourable to the Group than those offered to independent third parties) or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms which are fair and reasonable and on arm's length basis to the Group.

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Having considered the above, we consider that the pricing basis of the transactions contemplated under the Maintenance Arrangement and Networking Arrangement is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Shareholders should note that, as stated in the 2003/2004 annual report of the Company, the independent non-executive Directors reviewed the transactions contemplated under the Existing Agreements and confirmed that such transactions have been conducted into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. Based on the foregoing, it can be demonstrated that the Company had a proven track record of compliance with Rule 20.37 of GEM Listing Rules in the past. Therefore, we consider that it is likely that the Directors would be able to ensure the Group to carry out the Continuing Connected Transactions on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties in the next three financial years.

(iii) Annual Caps

Set out below are the transaction amount for the six months period ended 31 December 2004, the average transaction amount during the two financial years ended 30 June 2004 and the proposed Annual Caps for the three financial years ending 30 June 2008:

For the Continuing Connected Transactions contemplated under the Master Agreements	Transaction amount for the six months ended 31 December 2004 (unaudited) (HK\$)	Average transaction amount during the two financial years ended 30 June 2004 (audited) (HK\$)	Annual Caps for the three financial years ending 30 June 2008 (HK\$)
Maintenance Arrangement	18,162,000	35,227,000	56,000,000
Networking Arrangement	9,870,000	33,637,500	45,000,000

According to the Directors, the cap amount for transactions to be contemplated under the Maintenance Arrangement and Networking Arrangement for each of the three financial years ending 30 June 2008 will not exceed HK\$56 million and HK\$45 million respectively per annum.

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Maintenance Arrangement

In arriving at the proposed cap of HK\$56 million in respect of the Maintenance Arrangement, the Directors have considered, among others, the following factors:

1. the average annual transaction amount in respect of the Maintenance Arrangement was approximately HK\$35.2 million during the two financial years ended 30 June 2004;
2. the transaction amount in respect of the Maintenance Arrangement was approximately HK\$18.2 million during the six months period ended 31 December 2004;
3. some of the buildings owned and/or managed by SHKP Group equipped with the facilities covered by the Maintenance Arrangement were relatively new at the time the Maintenance Arrangement were entered into a number of years ago. As a result of fair wear and tear, the frequency and extent of maintenance and repair work which may be required on such facilities are expected to be increased in the coming years;
4. in previous years, the residents or incorporated owners of certain buildings covered by the Maintenance Arrangement requested the Group, and the Group has granted one-off reductions in the services fees to them. The Directors advised that the said reductions in service fees will not be granted in the next three financial years. Thus it is expected that the amount of services fees to be received by the Group under the Maintenance Arrangement in the coming three years would increase as compared to the past; and
5. the level of demand of such maintenance services would increase as the number of new buildings constructed or managed by SHKP Group will continue to increase in the forthcoming three financial years.

Based on the aforesaid factors, the Directors estimate that the transaction amount in respect of the Maintenance Arrangement would increase to approximately HK\$55.2 million for the year ending 30 June 2008. As such, the Directors propose that the cap amount for transactions contemplated under the Maintenance Arrangement should be HK\$56 million for each of the three years ending 30 June 2008.

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Networking Arrangement

In arriving at the proposed cap of HK\$45 million in respect of the Networking Arrangement, the Directors have considered, among others, the following factors:

1. the average annual transaction amount in respect of the Networking Arrangement was approximately HK\$33.6 million during the two financial years ended 30 June 2004;
2. the transaction amount in respect of the Networking Arrangement was approximately HK\$9.9 million during the six months period ended 31 December 2004; and
3. the level of demand of such installation services would increase as a number of SHKP Group's properties projects will be completed in the forthcoming three financial years and it has become more common that advanced technology facilities, for example, broadband network and satellite distribution network, are to be installed in new residential properties.

Based on the aforesaid factors, the Directors estimate that the transaction amount in respect of the Networking Arrangement would increase to approximately HK\$44.3 million for the year ending 30 June 2008. As such, the Directors propose that the cap amount for transactions contemplated under the Networking Arrangement should be HK\$45 million for each of the three years ending 30 June 2008.

We note that the transaction amount of the Networking Arrangement for the six months period ended 31 December 2004 was lower than the average transaction amount during the same period of 2002 and 2003. As advised by the Directors, such decrease was mainly attributable to the outbreak of SARS during the first half of 2003 which negatively affected the Hong Kong properties market in 2003. Some of the tendering program participated by the Group were temporarily suspended or postponed during 2003.

We note the Annual Caps will be increased for the period from 1 July 2005 to 30 June 2008, compared with the historical transaction amount of the Networking Arrangement and the Maintenance Arrangement for each of the two years ended 30 June 2004 and the six months period ended 31 December 2004. We have also discussed with the management of the Company on the underlying principal bases (including (i) the amount of tenders proposed by the Group to SHKP Group; (ii) the number of SHKP's properties projects are expected to assign service contracts to the Group; and (iii) the number of buildings owned or managed by SHKP Group which may request the services of the Group in the next three financial years) considered in the Annual Caps.

LETTER FROM KINGSWAY CAPITAL

Although the property market in Hong Kong began its rebound at the end of 2003, we understand that the transaction amounts under the Maintenance Arrangement and Networking Arrangement during the six months period ended 31 December 2004 did not fully reflected such rebound as the Group usually takes around 12 months to 18 months to complete the tendering program and related service contracts. Taking into consideration of the above and (i) the property market conditions have become more favourable; and (ii) the number of new buildings constructed or managed by SHKP Group will continue to increase (according to the statistics issued by SHKP Group at its web site, we note that the SHKP Group schedules to complete around 14 properties projects during 2005 to 2007), we are of the view that a sufficiently large cap for each of the Continuing Connected Transactions for the three financial year ending 30 June 2008 would provide flexibility to the Company to meet the demand when opportunities arise.

Having considering of the above factors, we regard that those above bases as well as the Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

(iv) Recommendation

Having considered the principal factors and reasons referred to the above, we consider that the Continuing Connected Transactions are (i) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent thirds parties; (ii) in the ordinary and usual course of business of the Group; (iii) fair and reasonable so far as the Group and Independent Shareholders are concerned and are in the interests of the Group and the Independent Shareholders as a whole. We also consider that the Annual Caps are fair and reasonable so far as the Group and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, vote in favour of the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the Maintenance Arrangement and Networking Arrangement and the Annual Cap.

Your faithfully,
For and on behalf of
Kingsway Capital Limited
John Tran
Co-head and Managing Director,
Investment Banking

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this document misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interest of the Directors and the chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

1. Long position in Shares and underlying shares of the Company

Name of director	Personal	Child under 18 or spouse	Others	Equity derivatives (share option)	Total No. of Shares	% of shares in issue
Kwok Ping-luen, Raymond	—	—	1,742,500*	484,999	2,227,499	0.10
Kwok Ping-sheung, Walter	—	—	1,070,000*	258,334	1,328,334	0.06
Kwok Ping-kwong, Thomas	—	—	1,070,000*	258,334	1,328,334	0.06
So Sing-tak, Andrew	—	—	—	800,000	800,000	0.03
Chan Kui-yuen, Thomas	—	—	—	290,000	290,000	0.01
Wong Yick-kam, Michael	100,000	—	—	240,000	340,000	0.01
Leung Kui-king, Donald	—	—	—	240,000	240,000	0.01
So Chung-keung, Alfred	416	543	—	440,000	440,959	0.02
Tung Chi-ho, Eric	—	—	—	240,000	240,000	0.01
Wong Chin-wah	—	—	—	440,000	440,000	0.02
Tung Yiu-kwan, Stephen	—	—	—	440,000	440,000	0.02

Note:

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

2. Long position in shares and underlying shares of SHKP

Name of director	Personal	Child under 18 or spouse	Corporate	Others	Equity derivatives (share option)	Total	% of shares in issue
Kwok Ping-luen, Raymond	—	—	—	1,079,515,895 [#]	75,000	1,079,590,895	44.96
Kwok Ping-sheung, Walter	—	—	—	1,078,322,522 [#]	75,000	1,078,397,522	44.91
Kwok Ping-kwong, Thomas	1,901,281	304,065	—	1,076,372,214 [#]	75,000	1,078,652,560	44.92
Chan Kui-yuen, Thomas	—	66,000	126,500	—	75,000	267,500	0.01
Wong Yick-kam, Michael	70,904	—	—	—	75,000	145,904	0
Leung Kui-king, Donald	10,000	—	—	—	36,000	46,000	0
So Chung-keung, Alfred	189,985	6,500	—	—	60,000	256,485	0.01
Tung Chi-ho, Eric	—	—	—	—	60,000	60,000	0
Wong Chin-wah	—	—	—	—	36,000	36,000	0
Tung Yiu-kwan, Stephen	—	—	—	—	24,000	24,000	0

Note:

- # Of these shares in SHKP, Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas were deemed to be interested in 1,056,338,347 shares, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO.

3. Long position in shares and underlying shares of other associated corporations

(A) SmarTone Telecommunications Holdings Limited:

Name of director	Child under 18 or spouse	Others	% of shares in issue
Kwok Ping-luen, Raymond	—	2,237,767	0.38
Li On-kwok, Victor	5,000	—	0

- (B) Each of Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas had the following interests in shares of the following associated corporations (within the meaning of Part XV of the SFO):

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

Note:

- * Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas were deemed to be interested in these shares, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO. Those shares were held by corporations in which they were entitled to control the exercise of one-third or more of the voting rights in the general meetings of those corporations.

4. Share Options in the Company

Name of Directors	Date of Grant	Option Period	Exercise Price	Number of share options outstanding as at the Latest Practicable Date	
Kwok Ping-luen, Raymond (Chairman and Chief Executive Officer)	28.3.2000	31.12.2000 — 30.12.2005	10.38	251,666	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	233,333	484,999
Kwok Ping-sheung, Walter	28.3.2000	31.12.2000 — 30.12.2005	10.38	138,334	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	258,334
Kwok Ping-kwong, Thomas	28.3.2000	31.12.2000 — 30.12.2005	10.38	138,334	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	258,334
So Sing-tak, Andrew	8.7.2002	8.7.2003 — 7.7.2008	1.43	400,000	
	29.11.2003	29.11.2004 — 28.11.2009	1.59	400,000	800,000
Chan Kui-yuen, Thomas	28.3.2000	31.12.2000 — 30.12.2005	10.38	170,000	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	290,000
Wong Yick-kam, Michael	28.3.2000	31.12.2000 — 30.12.2005	10.38	120,000	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	240,000
Leung Kui-king, Donald	28.3.2000	31.12.2000 — 30.12.2005	10.38	120,000	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	240,000

Name of Directors	Date of Grant	Option Period	Exercise Price	Number of share options outstanding as at the Latest Practicable Date	
So Chung-keung, Alfred	28.3.2000	31.12.2000 — 30.12.2005	10.38	120,000	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	
	29.11.2003	29.11.2004 — 28.11.2009	1.59	200,000	440,000
Tung Chi-ho, Eric	28.3.2000	31.12.2000 — 30.12.2005	10.38	120,000	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	240,000
Wong Chin-wah	28.3.2000	31.12.2000 — 30.12.2005	10.38	120,000	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	
	29.11.2003	29.11.2004 — 28.11.2009	1.59	200,000	440,000
Tung Yiu-kwan, Stephen	28.3.2000	31.12.2000 — 30.12.2005	10.38	120,000	
	7.4.2001	30.3.2002 — 19.3.2007	2.34	120,000	
	29.11.2003	29.11.2004 — 28.11.2009	1.59	200,000	440,000

5. Share Options in SHKP

Name of Directors	Date of Grant	Option Period	Exercise Price	Number of share options outstanding as at the Latest Practicable Date
Kwok Ping-Luen, Raymond <i>(Chairman and Chief Executive Officer)</i>	16.7.2001	16.7.2002 — 15.7.2006	70.00	75,000
Kwok Ping-sheung, Walter	16.7.2001	16.7.2002 — 15.7.2006	70.00	75,000
Kwok Ping-kwong, Thomas	16.7.2001	16.7.2002 — 15.7.2006	70.00	75,000
Chan Kui-yuen, Thomas	16.7.2001	16.7.2002 — 15.7.2006	70.00	75,000
Wong Yick-kam, Michael	16.7.2001	16.7.2002 — 15.7.2006	70.00	75,000
Leung Kui-king, Donald	16.7.2001	16.7.2002 — 15.7.2006	70.00	36,000
So Chung-keung, Alfred	16.7.2001	16.7.2002 — 15.7.2006	70.00	60,000
Tung Chi-ho, Eric	16.7.2001	16.7.2002 — 15.7.2006	70.00	60,000
Wong Chin-wah	16.7.2001	16.7.2002 — 15.7.2006	70.00	36,000
Tung Yiu-kwan, Stephen	16.7.2001	16.7.2002 — 15.7.2006	70.00	24,000

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

- (a) As at the Latest Practicable Date, the interest of the persons (not being Directors and the chief executive of the Company) in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name	Total number of shares	% of shares in issue
Sunco Resources Limited ¹ (“Sunco”)	1,713,613,500	84.55
SHKP ²	1,713,613,500	84.55
HSBC International Trustee Limited ³	1,717,623,249	84.74

Notes:

1. Sunco is the beneficial owner of the 1,713,613,500 shares.
2. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the SFO.
3. HSBC International Trustee Limited is deemed to have interest in the 1,713,613,500 shares of the Company held by SHKP. Of the shares in SHKP in which HSBC International Trustee Limited was interested, 1,056,338,347 shares were the shares referred to in the Note to sub-section 2 of the section headed “Directors’ Interests” in this appendix.

Save as disclosed above and so far as is known to any Director or chief executive of the Company as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in any shares, underlying shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

- (b) So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities were as follows:—

Name of shareholder	Name of member of the Group	% of shareholding
China Science and Computer Network Information Centre	CST iAdvantage Co. Ltd.	25%

Save as disclosed above, as at the Latest Practicable Date there was no person known to the Directors who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, was directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group, or any options in respect of such capital.

4. COMPETING INTERESTS

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

Save as disclosed above, 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.

5. DIRECTORS' INTERESTS IN CONTRACTS

(a) Executive Directors

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 2003 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior written notice.

The Non-executive Director and the Independent non-executive Directors

The term of office of each of Professor Kao Kuen, Charles, Professor Li On-kwok, Victor and Mr. Cheung Wing Yui is for a period of three years up to 31 December 2005. The term of office of Doctor Fong Ching, Eddy is for a period from 20 September 2004 up to 30 June 2006.

Save as disclosed above, none of the Directors has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

- (b) As at the Latest Practicable Date, the Group had certain transactions with SHKP and its affiliates other than members of the Group. Details of these transactions are set out in note 10 — related party transactions to the Interim Financial Statements for the six months ended 31 December 2004. Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas have a trust interest in SHKP.
- (c) Mr. Cheung Wing-yui, the Non-executive Director, is a partner of Woo, Kwan, Lee & Lo, a solicitors firm which provided professional services to the Group (including in relation to the Transactions Requiring Approval) and charged usual professional fees in respect thereof.
- (d) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since 30 June 2004, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (e) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement which is subsisting at the date of this circular and which is significant in relation to the business of the Group.

6. MATERIAL CHANGE

So far as the Directors are aware, there has been no material adverse change in the financial or trading position of the Company since 30 June 2004, the date to which the latest published audited financial statements of the Group were made up.

7. EXPERT

- (a) The following are the qualifications of the expert who have given opinion or advice which are contained in this circular:

Name	Qualification
Kingsway Capital	a licensed corporation of the SFC permitted to engage in Type 6 (advising on corporate finance) regulated activity under the SFO

- (b) As at the Latest Practicable Date, Kingsway Capital was not interested beneficially or non-beneficially in any shares in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares in any member of the Group.
- (c) As at the Latest Practicable Date, Kingsway Capital did not have any direct or indirect interest in any assets which have been since 30 June 2004, the date to which the latest published audited account of the Company were made up, acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (d) Kingsway Capital has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and/or report dated 7 June 2005 and the references to its name included herein in the form and context in which it is included.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the head office and principal place of business of the Company up to and including 23 June 2005:

- (a) the service contracts referred to in paragraph 5(a) of this appendix;
- (b) the agreement dated 23 May 2005 entered into by the Company and SHKP in relation to the Networking Arrangement;
- (c) the agreement dated 23 May 2005 entered into by the Company and SHKP in relation to the Maintenance Arrangement;
- (d) the letter from Kingsway Capital, the text of which as set out on pages 17 to 26 of this circular; and

- (e) the written consent from Kingsway Capital referred to in paragraph 7(d) of this appendix.

9. MISCELLANEOUS

- (a) The registered office of the Company is situated at P O Box 309, Uglan House, South Church Street, George Cayman, Grand Cayman, Cayman Islands, British West Indies.
- (b) The head office and principal place of business of the Company is situated at MEGATOP, Mega-iAdvantage, 399 Chai Wan Road, Chai Wan, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Service Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The secretary of the Company is Mr. Tam Sai-ming, William who is a fellow member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries respectively and a member of the Hong Kong Securities Institute holding Master's degrees in Laws, in Science (Real Estate) and in Business Administration.
- (e) The qualified accountant of the Company is Mr. Tsim Wing-kit, Alfred who is a fellow member of the Hong Kong Institute of Certified Public of Accountants.
- (f) In any event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



sunEvision
SUNeVision Holdings Ltd.
新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of SUNeVision Holdings Ltd. (the “Company”) will be held at 53/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Thursday, 23 June 2005 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution (with or without modifications) as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (1) transactions under the Networking Arrangement (as defined and more particularly described in the circular to the shareholders of the Company dated 7 June 2005 (the “Circular”)) pursuant to an agreement dated 23 May 2005 between the Company and Sun Hung Kai Properties Limited (“SHKP”) in respect thereof (the “Networking Agreement”, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and transactions under the Maintenance Arrangement (as defined and more particularly described in the Circular) pursuant to an agreement dated 23 May 2005 between the Company and SHKP in respect thereof (the “Maintenance Agreement”, a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) be and are hereby approved subject to each category of the transactions (when separately aggregated) shall not exceed the relevant annual cap set out below:

	Category of the transactions	Proposed annual cap (HK\$) For each of the three financial years of the Company ending 30 June 2008
A.	Networking Arrangement	45,000,000
B.	Maintenance Arrangement	56,000,000

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (2) the entering into, execution, performance and implementation of the Networking Agreement and the transactions under the Networking Arrangement, and the Maintenance Agreement and the transactions under the Maintenance Arrangement by the directors of the Company for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (3) the directors of the Company be and are hereby authorised on behalf of the Company to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their discretion consider necessary or desirable for the purposes of or in connection with the implementation of all the Networking Arrangement and the Maintenance Arrangement.”

By Order of the Board
SUNeVision Holdings Ltd.
Tam Sai-ming, William
Company Secretary

Hong Kong, 7 June 2005

Registered Office:

P O Box 390, Uglan House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Head Office and Principal Place of Business:

MEGATOP, Mega-iAdvantage
399 Chai Wan Road
Chai Wan
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or adjournment thereof and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.