



SUNEVISION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2000

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Highlights

- SUNeVision reported another strong quarter-on-quarter revenue growth of 52% to HK\$48,798,000 for the three months ended 31 December 2000
- During the reporting period, the Company further strengthened its position as the leading Internet infrastructure and enabling service provider in Asia with the:
 - completion of MEGA-iAdvantage in Chai Wan, Hong Kong and the opening of new data centres in Singapore, Beijing and Shanghai;
 - successful establishment of Super-Office as a leading business enabling service provider;
 - continued growth of SuperHome, SuperStreets, Red-Dots and Super e-Technology
- Focus on revenue growth with increased operating efficiency and significantly improved ratio of operating expenditures to turnover

	Current Quarter (Oct to Dec 2000) HK\$'M	Previous Quarter (Jul to Sep 2000) HK\$'M
Turnover <i>(52% quarter-on-quarter growth)</i>	<u>48.80</u>	<u>32.08</u>
Gross loss	(8.11)	(5.91)
- as % of turnover	-16.6%	-18.4%
Operating expenditures*	(69.37)	(69.99)
- as % of turnover	-142%	-218%
Other income	42.07	51.69
Result from operations	<u>(35.41)</u>	<u>(24.21)</u>

* *Research & development, selling, general and administrative expenses*

Chairman's Statement

I am pleased to present SUNeVision's interim results for 2000/01 showing strong revenue growth. The increase in revenue was achieved through the continued growth of existing business operations and the successful development of new revenue sources.

During the period under review, we further strengthened our position as the leader in Internet infrastructure and enabling services in Asia. iAdvantage continued to demonstrate clear leadership in the Internet infrastructure sector through its aggressive expansion in Hong Kong and Asia. Its biggest data centre in Hong Kong, the 350,000 sq ft MEGA-iAdvantage in Chai Wan, was completed in December 2000, and more than 30% of its space already signed up. iAdvantage also expanded to Beijing, Shanghai and Singapore, adding 60,000 sq ft of data centre space. Leasing in its two other data centres in Hong Kong, ONE-iAdvantage and JUMBO-iAdvantage with a total of 170,000 sq ft, has also been encouraging. The business unit also launched a comprehensive range of value-added services as well as Net-Advantage, which is a high-speed commercial broadband service linking corporate clients and the data centres through a secure and fast fiber-optic network. With a comprehensive range of services, top quality management, and six data centres in four major cities in the region, iAdvantage is attracting quality local and international customers. By providing excellent services, iAdvantage also enjoys high customer retention.

Our other business units all achieved healthy growth during the reporting period. Super-Office, which was launched in August 2000, has quickly established itself as a leading business enabling service provider. Red-Dots remained the No.1 auction site in Hong Kong and successfully launched two new services providing back-end solutions for B2B trading platforms and web-based loyalty programmes for leading corporate clients such as Coca Cola, HSBC and Wrigley's. SuperStreets and SuperHome introduced several new services and the number of registered users continued to grow. SuperHome rolled out a programme to power the community website in all MTRC-managed residential properties.

The growth I have just outlined was achieved under difficult market conditions. Faced with the slowdown of the information technology industry, we successfully reduced our operating costs and improved our operating efficiency. As a result, compared with the previous quarter, the ratio of our operating expenditures to turnover improved significantly in the second quarter.

The outlook for our business units is promising. With the opening of MEGA-iAdvantage and the introduction of more value-added services, iAdvantage's revenue growth will be healthy. iAdvantage will continue to expand in China and the region through strategic alliances and partnerships. Super-Office and SuperHome are also looking for opportunities to expand in China. SuperHome is exploring Internet games and distance learning for future expansion. SuperStreets will develop more services and Red-Dots' operations will continue to grow following its initial success in developing e-marketing and technology platforms for corporate clients. Our business units are all dominant players in their sectors of the industry in Hong Kong and the complementary services they provide make SUNeVision a truly *one-stop shop* in Internet infrastructure and enabling services.

Confident in our growth prospects and strategies, SUNeVision continued to invest in our business units during the reporting period. We are committed to the development of all our business operations and took advantage of the current market consolidation to grow them. In the short-term, the technology industry will face many challenges because of the projected slowdown. However, SUNeVision's financial position remains strong with approximately HK\$2.2 billion cash on hand. At the same time, the capital expenditure-intensive period is coming to an end and operating expenditures will increase at a slower rate than the revenue growth. I am confident about the long-term growth prospects of the Company. With the leading position of iAdvantage, improved operating efficiency and ability to develop new revenue sources, the focus going forward will be on revenue growth.

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer
Hong Kong, 12 February 2001

Managing Director's Report

Internet Infrastructure Provider

iAdvantage

During the reporting period, iAdvantage further strengthened its leading position in the Internet infrastructure sector. Four new Internet service centres opened in Hong Kong, Beijing, Shanghai and Singapore with total floor area increased to 580,000 sq ft. The 350,000 sq ft MEGA-iAdvantage in Chai Wan, Hong Kong was completed and an occupation permit was obtained in December. Leasing has been strong with over 30% of the space in MEGA-iAdvantage and more than 60% of the space in JUMBO-iAdvantage in Tsuen Wan signed up. And all 570 racks in ONE-iAdvantage in Kwun Tong were leased. Customers include local and international top brands such as IBM and Sina.com. iAdvantage is attracting first-time customers as well as corporations who want to relocate to iAdvantage. iAdvantage also enjoys low churn rate.

In October, Wing Tai iAdvantage, a joint venture with Singapore's leading property developer Wing Tai, began operation with 20,000 sq ft space for data centre service in Singapore.

To further expand its services, iAdvantage launched Net-Advantage which is a high-speed commercial broadband service linking corporate clients in Grade A commercial buildings and the data centres through a secure and fast fiber-optic network.

During the period under review, iAdvantage introduced five new value-added services. They are: Streaming Media Host; Global Server Load Balancing; Extensive System Monitoring; E-commerce Accelerator Service, and Token Base Authentication System. These new services help customers maximize the efficiency and profitability of their Internet businesses.

Super e-Technology

During the reporting period, Super e-Technology connected 4,900 households to SMATV (Satellite Master Antenna Television) networks. At the end of December, broadband capability had been made available to an additional 18,900 households, bringing the total to 41,400.

During the reporting period, Super e-Technology designed and installed a web-based remote security surveillance system for a client.

Business Enabling Service

Super-Office

Since business operation commenced in August 2000, Super-Office has recorded over HK\$25 million customer contract revenue, with over 600 business users and a steady monthly revenue of HK\$5 million in new contracts.

In December 2000, Super-Office joined The Hong Kong Article Numbering Association's Global e-ID repository initiative as a Founding Partner. Super-Office's value-added Enterprise Resource Planning applications and e-commerce solutions are offered to the Association's manufacturing and trading communities.

Consumer Enabling Services

SuperHome

During the reporting period, SuperHome's registered users continued to grow. At the end of December, it had 90,000 registered users. Merchant partners who joined SuperHome during this period include Dell Computer, IBM, Dairy Farm, Giordano and The Garden Company, a leading bakery in Hong Kong.

SuperHome continued to add and improve its personalization and community-building services. Two new services were introduced: Super Photos and a newspapers and magazine delivery.

Under an agreement with the MTRC to provide community websites to MTRC-managed residential properties, SuperHome launched its services at Terre Verde apartment complex in Tsing Yi.

SuperStreets

PropertyStreet

PropertyStreet launched two new services during the reporting period. eMortgage, a mortgage referral service, was launched in July and approximately 4,000 referrals were made in the first six months of service. The other new service is interior design referral which was launched in November.

The number of PropertyStreet's registered users continued to grow; at the end of December, it had a total of 135,000 members.

Red-Dots

Red-Dots' operations continued to expand with more than 370 categories of goods on offer at the end of the review period. It is the No. 1 auction site in Hong Kong with more than 100,000 members as well as 30,000 auction items daily. It has more than 260 merchants and attracts over 1.3 million page views per day.

In November 2000, Red-Dots launched a e-marketing programme for HSBC iCAN credit card. Red-Dots created and powered the iCAN auction component of the website, which is an integral part of the HSBC loyalty programme.

In October, Red-Dots won "The Best Online Retail Site" Award from Media.com. This is the fourth award Red-Dots has won since its launch in October 1999.

Investments

Venture Capital

During the reporting period, the venture capital team continued to seek high-quality companies with synergies to SUNeVision's businesses. In the second quarter, the team invested in a Silicon Valley-based start-up specialising in the design of next-generation wireless integrated circuits which have applications for Asia's wireless network infrastructure and mobile communications devices. The investment followed the venture capital group's investment strategy to support companies developing proprietary technologies that target the high growth markets in Asia.

The team also continued to add value to its portfolio companies, working actively with the companies' management in strategy and operations. The portfolio companies include ChinaCast Technology, Anabas and i-Security Solutions. These portfolio companies possess core underlying technologies that are expected to help them become market leaders in their respective industries, while providing synergies to SUNeVision's business units.

YEN SHIAO HUA, SHERIDAN

Managing Director

Hong Kong, 12 February 2001

Comparison of Business Objectives with Actual Business Progress

The following is a summary comparison of the actual business progress for the period from 1 July 2000 to 31 December 2000 (“Review Period”) and the business objectives in the same period set out in the Company’s Prospectus dated 6 March 2000 (“Prospectus”).

BUSINESS OBJECTIVES FOR THE REVIEW PERIOD AS SET OUT IN THE PROSPECTUS	ACTUAL BUSINESS PROGRESS IN THE REVIEW PERIOD
<i>iAdvantage</i>	<i>iAdvantage</i>
Complete the 32-storey 350,000 sq ft MEGA-iAdvantage server co-location centre in Chai Wan, Hong Kong	<i>Occupation permit was obtained for MEGA-iAdvantage on 28 December 2000, and the centre is expected to commence operation in February 2001</i>
Increase total staffing to over 150 employees	<i>At the end of December 2000, iAdvantage has 120 members of staff in Hong Kong and an additional 80 in Mainland China and Singapore</i>
Undertake a comprehensive marketing programme	<p><i>Activities in the fourth quarter of 2000 include:</i></p> <ul style="list-style-type: none"> <i>• "Drive by iAdvantage" Seminar in December 2000 for business partners recruitment</i> <i>• "The Power of Net-Advantage" Service Provider Recruitment seminar in December 2000</i> <i>• Delegates from Hong Kong Electrical Appliances Manufacturers Association, Hong Kong & Kowloon Electrical Appliances Merchants Association and the Hong Kong Productivity Council visited JUMBO-iAdvantage in November 2000</i> <i>• A speech delivered at ASP China Conference (Beijing) 2000 in November 2000</i> <i>• Grand opening of Wing Tai iAdvantage’s first Internet Data Center in Singapore in October 2000</i>
Look for ways of extending its ASP and other value added services	<i>Streaming Media Hosting, Global Server Load Balancing, Extensive System Monitoring, E-commerce Accelerator Service, and Token Base Authentication System were added making a total of 14 value-added services currently available to our clients</i>

BUSINESS OBJECTIVES FOR THE REVIEW PERIOD AS SET OUT IN THE PROSPECTUS	ACTUAL BUSINESS PROGRESS IN THE REVIEW PERIOD
<i>Super-Office</i>	<i>Super-Office</i>
Expect to launch officially the super-office.net service and commence marketing it to small-and medium-sized enterprises that are tenants of SHKP Group commercial buildings	<i>At the end of December, Super-Office had over 600 business users after just 5 months of operation, and a steady monthly revenue of HK\$5 million from new contracts</i>
Add Microsoft Office 2000™ to super-office.net service	<i>Riding on Microsoft Exchange 2000 platform, Super-Office launched ‘eTraining’ and ‘Multimedia’ services in December</i> <i>‘Digital Dashboard’ Pilot Trial completed</i>
Add additional applications	<i>In December 2000, Super-Office joined The Hong Kong Article Numbering Association’s Global e-ID repository initiative as a Founding Partner to offer value-added Enterprise Resource Planning applications and e-commerce solutions to the Association’s manufacturing and trading communities</i>
<i>SuperHome</i>	<i>SuperHome</i>
Provide service to at least 150,000 apartments	<i>As of 31 December 2000, SuperHome had more than 90,000 registered users. In addition, all SuperStreets’ 135,000 registered users have access to SuperHome services as SuperStreets are content channels for SuperHome</i>
Expand and improve the content of its service by increasing the number of content providers	<i>The number of content providers and e-shop partners continued to grow. New partners include Dell Computer, IBM, Dairy Farm, Giordano and the Garden bakery</i> <i>Continued to add and improve its personalization and community-building tools to enhance its service and increase stickiness. These include Super Photos and newspaper and magazine delivery service which were launched in December 2000</i>
<i>SuperStreets</i>	<i>SuperStreets</i>
BankingStreet will be developed from a subsection of PropertyStreet into a separate site which will involve expanding the range of banking products provided	<i>BankingStreet was officially launched ahead of schedule in April 2000</i>

BUSINESS OBJECTIVES FOR THE REVIEW PERIOD AS SET OUT IN THE PROSPECTUS	ACTUAL BUSINESS PROGRESS IN THE REVIEW PERIOD
Marketing efforts to establish and promote SuperStreet's services and brand name	<i>According to ACNielsen's report, PropertyStreet is Hong Kong's leading property web site in terms of awareness and visit levels. It had more than 135,000 registered members at the end of the review period</i>
An English version of PropertyStreet and InsuranceStreet will be launched	<i>An English version of InsuranceStreet was launched ahead of schedule in May 2000</i>
<i>Super e-Technology</i> <i>(Formerly known as Sun Technology)</i>	<i>Super e-Technology</i>
Intend to commence work progressively to broadband enable some of the SMATV network of identified buildings	<i>An additional 16 sites have been completed, connecting about 18,900 apartments making a total of more than 41,400 broadband enabled apartments</i>
Expect to sign agreements detailing the fees and terms for use of the upgraded SMATV network for provision of LMDS services	<i>An agreement was signed with SmarTone Broadband Services Limited on 20 December 2000</i>
To have another 2,000 households connected to SMATV networks	<i>During the reporting period, a total of 6 networks and about 4,900 households were connected</i>
To identify one or more business partners in the development of new systems which are related to its security surveillance business	<i>Super e-Technology designed and installed a web-based remote security surveillance system for a client. This system enables site managers to easily monitor all the strategic locations anytime anywhere via the Internet</i> <i>Signed an agreement with Axis Communications (S) PTE Limited to distribute its web camera</i>
Expect to complete at least two security surveillance projects	<i>Two security surveillance projects were completed</i>
Plan to develop strategies for expanding its existing cabling business and/or the provision of new IT-related services in Mainland China, including setting up a new operation and acquiring an existing operator	<i>Kept track of the market with a view to explore business opportunities including mergers and acquisitions in Mainland China</i>

BUSINESS OBJECTIVES FOR THE REVIEW PERIOD AS SET OUT IN THE PROSPECTUS	ACTUAL BUSINESS PROGRESS IN THE REVIEW PERIOD
<i>Super e-Network (Formerly known as iHon)</i>	<i>Super e-Network</i>
Super e-Network will continue to seek contracts to design, maintain and install fibre optic networks and other broadband infrastructure in residential and commercial developments	<i>Super e-Network started work on five residential projects and one commercial project in design stage</i>
<i>Red-Dots</i>	<i>Red-Dots</i>
Plan to launch its business-to-business trading platform in Hong Kong	<i>Started to provide consultancy for clients on back-end solutions for B2B trading platforms</i> <i>A pilot programme was also launched in August 2000</i>
Intend to expand and develop the categories of goods offered in its auctions	<i>Over 370 categories of goods on offer for auctions</i>
To establish joint ventures with one or more PRC partners	<i>Actively sought opportunities. Delay in progress was due to regulatory requirements. However, it is believed that such delay will not cause any significant changes to overall business plan</i>
Continue marketing activities to further develop the brand	<i>Red-Dots won “The Best Online Retail Site” from Media.com Awards 2000. This is the fourth award Red-Dots has won since it launched in October 1999</i> <i>Participated in Coca-Cola’s Winter Magic programme of EuroChristmas 2000, which was held from 16 December, 2000 to 2 January, 2001. A selection of products from some of Red-Dots’ merchants were showcased. These merchants included Jebsen, Polaroid and Koji. The official Winter Magic web-site www.wintermagic.red-dots.com was also powered by Red-Dots</i>
Staff recruitment necessary for the completion of the above initiatives will be carried out	<i>Number of staff increased to about 50</i>

RESULTS FOR THE PERIOD ENDED 31 December 2000
(UNAUDITED)

The Board of Directors (the “Board”) of SUNeVision Holdings Limited (the “Company” or “SUNeVision”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the three months and six months ended 31 December 2000 together with the comparative unaudited figures for the corresponding periods in 1999 as follows:

	Notes	Three months ended 31 December		Six months ended 31 December	
		2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Turnover	2	48,798	20,543	80,875	31,553
Cost of sales		(56,909)	(18,401)	(94,899)	(26,126)
Gross (loss)/ profit		(8,111)	2,142	(14,024)	5,427
Other income		42,065	2,930	93,757	6,471
Research & development expenses		33,954	5,072	79,733	11,898
Selling expenses		2,848	3,681	6,647	5,023
Administrative expenses		16,776	5,796	40,516	6,552
Loss from operations		49,744	5,250	92,190	8,177
Finance charges		(35,414)	(9,655)	(59,620)	(7,854)
Share of result of an associate		5,802	3,488	11,481	6,976
Loss before taxation		2,009	-	2,960	-
Taxation	3	(43,225)	(13,143)	(74,061)	(14,830)
Loss after taxation		1,349	(835)	(371)	(1,271)
Minority interests		(41,876)	(13,978)	(74,432)	(16,101)
Loss attributable to shareholders		2,540	-	3,313	-
Loss per share - Basic	4	(39,336)	(13,978)	(71,119)	(16,101)
		=====	=====	=====	=====
Loss per share - Basic	4	1.93 cents	0.82 cents	3.48 cents	0.95 cents

NB: For more meaningful quarter-on-quarter comparisons, please refer to page 2.

Notes:

1. Group reorganization and the basis of preparation

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 25 January 2000. In preparation for the listing of the Company's shares on GEM, the group reorganization was effected whereby SUNeVision became the holding company of the Group. The shares of the Company have been listed on GEM since 17 March 2000.

The unaudited results of the Group have been prepared on a merger basis as if the Company had always been the holding company of the Group. In the opinion of the Board, the above presents fairly the result of the Group as a whole.

2. Turnover

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

3. Taxation

No provision for Hong Kong profits tax has been made as the Group has no assessable profit for the three months and six months ended 31 December 2000. Hong Kong profits tax for the three months and six months ended 31 December 1999 has been provided at the rate of 16% on the estimated assessable profits for the periods. PRC income tax has been provided at the applicable rates of taxation on the estimated assessable profits for the periods.

4. Loss per share

The calculation of the Group's basic loss per share for the three months and six months ended 31 December 2000 is based on the Group's unaudited loss attributable to shareholders of approximately HK\$39,336,000 and HK\$71,119,000 (three months and six months ended 31 December 1999: approximately HK\$13,978,000 and HK\$16,101,000) and the weighted average number of 2,042,637,158 and 2,043,818,579 (three months and six months ended 31 December 1999: 1,700,000,000) shares respectively in issue during the respective periods. In determining the weighted average number of shares, 1,700,000,000 shares issued on the establishment of the Company and reorganization of the Group were deemed to have been issued since 1 July 1999.

No diluted loss per share has been presented for the three months and six months ended 31 December 2000 as the exercise of the Company's outstanding share options and convertible note would result in a decrease in net loss per share.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2000 (1999: nil).

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December, 2000, 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 which are required, pursuant to rules 5.40 to 5.49 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

1. Shares in SUNEvision

Name of Directors	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total No. of Shares
Kwok Ping Luen, Raymond	672,500	-	-	1,070,000 (Note)	1,742,500
Kwok Ping Sheung, Walter	-	-	-	1,070,000 (Note)	1,070,000
Kwok Ping Kwong, Thomas	-	-	-	1,070,000 (Note)	1,070,000
Yen Shiao Hua, Sheridan	50,000	-	-	-	50,000
So Chung Keung, Alfred	416	500	-	-	916

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

2. Shares in Sun Hung Kai Properties Limited

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 (Note)	1,074,986,895
Kwok Ping Sheung, Walter	-	3,000	-	1,073,792,522 (Note)	1,073,795,522
Kwok Ping Kwong, Thomas	1,901,281	304,065	-	1,071,842,214 (Note)	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	-	-	-	189,985

Note: These are deemed interests (by virtue of the SDI Ordinance) of Messrs. Kwok Ping Luen, Raymond, Kwok Ping Sheung, Walter and Kwok Ping Kwong, Thomas. Of these shares in Sun Hung Kai Properties Limited (“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. Kwok Ping Luen, Raymond, Kwok Ping Sheung, Walter and Kwok Ping Kwong, Thomas 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 (Note)
Hung Carom Company Limited	25 Ordinary shares	Corporate (Note)
Tinyau Company Limited	1 Ordinary share	Corporate (Note)
Open Step Limited	8 Ordinary shares	Corporate (Note)

Note: These are deemed interests (by virtue of the SDI Ordinance) because these securities are held by companies in which Messrs. Kwok Ping Luen, Raymond, Kwok Ping Sheung, Walter and Kwok Ping Kwong, Thomas are entitled to control the exercise of one third or more of the voting rights at the general meetings.

- (b) Messrs. Kwok Ping Luen, Raymond and Kwok Ping Sheung, Walter 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. Kwok Ping Luen, Raymond had personal interests of 692,846 ordinary shares in the equity securities of SmarTone Telecommunications Holdings Limited.
- (d) Professor Li On Kwok, Victor had family interests of 5,000 ordinary shares in the equity securities of SmarTone Telecommunications Holdings Limited.

4. SUNeVision Share Options

- (a) Certain directors were granted share options to subscribe for shares in the Company. All the following options were granted and accepted on 28 March 2000 for nominal consideration and the exercise prices of these options are HK\$10.38 per share, details of which are as follows:

Name of Directors	Number of options granted at the price of HK\$10.38 per share and the balance at 31.12.2000
Kwok Ping Luen, Raymond	755,000
Kwok Ping Sheung, Walter	415,000
Kwok Ping Kwong, Thomas	415,000
Chan Kui Yuen, Thomas	510,000
Wong Yick Kam, Michael	360,000
Leung Kui King, Donald	360,000
So Chung Keung, Alfred	360,000
Tung Chi Ho, Eric	360,000
Wong Chin Wah, Jimmy	360,000
Tung Yiu Kwan, Stephen	360,000
Ho Chi Lam, Alfred	285,000

These options 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.

(b) Pursuant to SUNeVision Share Option Scheme, Messrs. Yen Shiao Hua, Sheridan and Ho Chi Lam, Alfred were granted options on 30 November 2000 to subscribe for 450,000 and 75,000 shares of SUNeVision respectively for nominal consideration. The exercise prices of these options are HK\$3.885 per share. These options 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 balance of options granted to Messrs. Yen Shiao Hua, Sheridan and Ho Chi Lam, Alfred as at 31 December 2000, including 4(a) above, were 450,000 and 360,000 respectively.

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	Number of SHKP Options granted and balance at 31.12.2000
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 from the date of grant, up to two thirds during the third year from the date of grant, and in whole or in part any time three years after the date of grant.

6. Other Share Option Schemes

In addition to SUNeVision Share Option Scheme, the Group operates two more share option schemes which were approved for two subsidiaries of the Company, iAdvantage Limited and Sunevision Red-Dots Limited, allowing their respective boards of directors the right to grant to their full-time employees and executive directors options to subscribe for shares in these two companies, in each case in aggregate up to 10% of the issued capital of the respective companies from time to time. No such option shares were granted to any director of the Company during the six months ended 31 December 2000.

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 31 December 2000 maintained under Section 29 of the SDI Ordinance or which are required, pursuant to rules 5.40 to 5.49 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed in sub-sections 4, 5 and 6 above, at no time during the six months ended 31 December 2000 was the Company or its holding companies 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.

COMPETING INTERESTS

Mr. Kwok Ping Luen, Raymond, the Company's Chairman and Chief Executive Officer, is also the Chairman of SmarTone Telecommunications Holdings Limited ("SmarTone"), an associated 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 Kao Kuen, Charles, Professor Li On Kwok, Victor and Professor Zhang Shoucheng, Steven, are well recognized leaders in the field of information technology development and have been appointed to various positions including consultants and directors to institutions and business entities which are engaged in research, development and business. These institutions and business entities may be in competition with the Group.

Save as disclosed in this section, none of the Directors or the management shareholders of the Company have any interest in any business which may compete with the business of the Group.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2000, 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:

Name	Number of Shares	Approximate percentage of holding
Sunco Resources Limited ("Sunco")	1,713,613,500	84.00
SHKP (Note 1)	1,713,613,500	84.00
HSBC Holdings plc (Note 2)	1,702,699,824	83.46
HSBC Finance (Netherlands) (Note 2)	1,702,699,824	83.46
HSBC Holdings B.V. (Note 2)	1,702,699,824	83.46
HSBC Investment Bank Holdings B.V. (Note 2)	1,702,252,590	83.44
HSBC International Trustee Limited (Note 3)	1,702,227,303	83.44

Notes:

1. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the SDI Ordinance.
2. The shares in which HSBC International Trustee Limited was interested formed part of the shares in which HSBC Investment Bank Holdings B.V. was interested; the shares in which HSBC Investment Bank Holdings B.V. was interested formed part of the shares in which HSBC Holdings B.V. was interested; the shares in which HSBC Holdings B.V. was interested were the shares in which HSBC Finance (Netherlands) was interested and the shares in which HSBC Finance (Netherlands) was interested formed part of the shares in which HSBC Holdings plc was interested.

3. Of the SHKP shares in which HSBC International Trustee Limited was interested, 1,051,808,347 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 Sunco and SHKP as disclosed above, there is no other person who is directly or indirectly interested in 5% or more of the shares 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 31 December 2000, directors and employees of Jardine Fleming Securities Limited (“Jardine Fleming”) were interested in 2,500 shares and 1,507 shares of the Company respectively. Save as disclosed herein, none of Jardine Fleming, its directors, employees or associates had any interest in the securities of the Company or any members of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any members of the Group.

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

AUDIT COMMITTEE

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

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

During the six months ended 31 December 2000, the Company repurchased on the Stock Exchange a total of 4,408,000 ordinary shares of HK\$0.1 each in the share capital of the Company at an aggregate price of HK\$15,412,128.35, details of which are as follows:

Month of Repurchase	No. of Shares Repurchased	Price per Share		Aggregate Price Paid
		Highest	Lowest	
		HK\$	HK\$	HK\$
October 2000	1,988,500	4.100	3.900	7,970,713.00
November 2000	939,500	3.425	3.125	3,077,641.25
December 2000	<u>1,480,000</u>	3.250	2.650	<u>4,363,774.10</u>
	<u>4,408,000</u>			<u>15,412,128.35</u>

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December, 2000.

YEAR 2000 COMPLIANCE

The Board is pleased to announce that all accounting and financial applications in the Group were fully Year 2000 compliant and therefore, the Year 2000 issue had no adverse impact on the business operations in all functional areas of the Group.

By Order of the Board

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer

Hong Kong, 12 February 2001

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for 7 days from the day of its posting and on the website of Sunevision Holdings Limited at www.sunevision.com.