



SUNeVision Holdings Ltd.

(Incorporated in the Cayman Islands with limited liability)

THIRD QUARTERLY REPORT FOR THE NINE MONTHS ENDED 31 MARCH 2003

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The Directors collectively and individually accept full responsibility for this announcement which is given in compliance with the requirements (Rules Governing the Listing of Securities on the Growth Enterprise Market) of the Stock Exchange. The Directors confirm, having made all reasonable enquires, that to the best of their knowledge and belief, (i) the information contained in the announcement are accurate and complete in all material aspects and not misleading; (ii) there are no other facts the omission of which would make any statement herein misleading; and (iii) opinions expressed in this announcement have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

HIGHLIGHTS

- SUNeVision remains profitable, despite severe market conditions.
- Net profit of HK\$16.2 million.
- Operating expenditure fell for the eleventh consecutive quarter, down 5% to HK\$16.5 million.
- Well positioned for future development, with strong financial position and approximately HK\$1.14 billion in cash and interest-bearing securities on hand.

	Current Quarter (Jan to Mar 2003) HK\$'M	Previous Quarter (Oct to Dec 2002) HK\$'M
Turnover	59.9	61.4
Gross profit	17.4	18.1
- as a % of turnover	29%	30%
Operating expenditures*	(16.5)	(17.4)
Other income	19.9	22.3
Profit from operations	20.8	23.0
Finance costs	(3.5)	(5.5)
Operating profit after finance costs	17.3	17.5
Profit attributable to shareholders	16.2	16.3

* *Selling, general and administrative expenses*

CHAIRMAN'S STATEMENT

Despite severe market conditions SUNeVision maintained its profitability in the third quarter of financial year 2002-2003, supported by tightly run operations and a strong cash position.

For the quarter under review, quarter-on-quarter turnover fell marginally from HK\$61.4 million to HK\$59.9 million, due to seasonal changes in market demand for last-mile broadband and satellite TV installations. Gross margin declined slightly from 30% to 29%. At HK\$16.5 million, operating expenditure showed a decline for the eleventh consecutive quarter. Net profit for the quarter was HK\$16.2 million.

As scheduled, the Group repaid its HK\$730 million shareholder loan to the parent company in February 2003. After repayment, the Group holds approximately HK\$1.14 billion in cash and interest-bearing securities. The Group's financial position remains strong.

During the quarter, iAdvantage added new customers and new business continuity services in Hong Kong and China. Overall occupancy reached 60% and showed signs of continued growth.

The Group continued to grow the customer propositions offered by its enabling services.

Led by strong operational management, SUNeVision will aim to achieve overall profitability for financial year 2002-2003. In addition, SUNeVision will continue to seek opportunities for growth in complementary businesses that can generate immediate and reliable cashflows.

I would like to close by thanking the board, management, and every member of the staff for their continued dedication and hard work in improving the business.

KWOK PING LUEN, RAYMOND

Chairman and Chief Executive Officer

Hong Kong, 12 May 2003

MANAGING DIRECTOR'S REPORT

OVERVIEW

SUNeVision remained profitable during the quarter under review, despite a difficult operating environment. The Group recorded a net profit of HK\$16.2 million for the quarter ended 31 March 2003.

Quarter-on-quarter turnover fell slightly, from HK\$61.4 million to HK\$59.9 million. This was mainly due to lower revenues from business units involved in last-mile connectivity construction and installation, since many projects were completed in the first half of the fiscal year and new projects will not be completed until the end of the second half. Gross margin for the quarter declined slightly from 30% to 29%, but operating expenditures continued to fall for the eleventh consecutive quarter. Operating expenditures for the quarter were HK\$16.5 million, which represents a decline of 5% over the previous quarter. The impact of Severe Acute Respiratory Syndrome (SARS) was minimal in the quarter under review.

Not counting a one-time HK\$4.4 million loss from long-term bond holdings, and HK\$7.1 million in exceptional one-off income, operating profit for the quarter was HK\$14.6 million, a 2.1% increase over the HK\$14.3 million reported in the previous quarter. The Group's operating profit has increased for five consecutive quarters since the third quarter of the previous financial year.

SUNeVision remains financially strong, with approximately HK\$1.14 billion in cash and interest-bearing securities on hand, even after repaying HK\$730 million to its parent company in February 2003.

Looking to the end of the financial year, SUNeVision will strive to achieve profitability for the entire year. The Group is well positioned in the market for future opportunities, and will continue its prudent approach in the search for new opportunities for growth.

DATA INFRASTRUCTURE

iAdvantage

iAdvantage maintained its leadership in the Internet data centre business with comprehensive service and competitive pricing, and its customer base continued to grow. In addition to providing world-class data centre services, the company acted as project management consultant for a key customer, successfully completing a data centre facility improvement project on the customer's premises. iAdvantage also works closely with major IT partners to bid on customer outsourcing projects, expanding the scope of its existing business. The company launched a loyalty programme during the quarter, offering Net-Advantage broadband to co-location customers.

Super e-Technology

Super e-Technology won seven contracts for the design and installation of various connectivity systems including Security Surveillance, Satellite Master Antenna Television (SMATV), Communal Aerial Broadcast Distribution (CABD) systems and structured cabling during the quarter. Super e-Technology successfully bid for five major maintenance contracts during the period under review, for various systems ranging from SMATV/CABD, car park and Audio Visual / Public Address systems to Local Area Networks (LAN).

ENABLING SERVICES

SuperHome

Building on the success of its seasonal festive sales, SuperHome has developed a regular sales programme to provide value-added services and products for resident subscribers. Since the beginning of 2003, SuperHome has been selling a range of household and personal products for residents at regular intervals, offering both convenience and hard-to-beat value.

SuperStreets

PropertyStreet introduced its Decoration Referral Services to six major new estates during the period, offering over 7,000 households more choice, better value and peace of mind.

Red-Dots

Red-dots continued to grow, and its registered membership now exceeds 200,000. In appreciation of its loyal members' continued trust and patronage, Red-dots ran a large-scale loyalty rewards programme in February and March of 2003, which drew an enthusiastic response from Red-dotters.

INVESTMENTS

Venture Capital

The venture capital group focused on harvesting existing investments in the period under review. The group only commits funds where returns can be reasonably expected and are demonstrably attractive. No further provisions on the existing investment portfolio are anticipated at the present time.

YEN SHIAO HUA, SHERIDAN

Managing Director

Hong Kong, 12 May 2003

QUARTERLY RESULTS FOR THE PERIOD ENDED 31 MARCH 2003 (UNAUDITED)

The Board of Directors (the “Board”) of SUNeVision Holdings Ltd. (the “Company” or “SUNeVision”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 31 March 2003 together with the comparative unaudited figures for the corresponding periods in 2002 as follows:

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Turnover	2	59,914	57,588	182,554	179,438
Cost of sales		(42,543)	(45,569)	(130,210)	(149,346)
Gross profit		17,371	12,019	52,344	30,092
Other income		19,868	23,323	66,945	71,968
		37,239	35,342	119,289	102,060
Research & development expenses		-	-	-	17
Selling expenses		1,961	3,452	6,644	21,535
Administrative expenses		14,503	19,397	45,884	75,900
Profit from operations		20,775	12,493	66,761	4,608
Finance charges		3,489	5,418	14,550	17,098
Restructuring costs		-	-	-	117,393
Impairment losses of equity technology investments		-	-	-	355,900
Share of loss of an associate		1,028	1,212	3,169	4,681
Profit (Loss) before taxation		16,258	5,863	49,042	(490,464)
Taxation	3	(23)	(17)	(70)	(83)
Profit (Loss) before minority interests		16,235	5,846	48,972	(490,547)
Minority interests		-	119	(4)	27,085
Profit (Loss) attributable to shareholders		16,235	5,965	48,968	(463,462)
Earnings (Loss) per share - Basic	4	0.80 cents	0.29 cents	2.41 cents	(22.85 cents)

Notes:

1. Basis of preparation

The principal accounting policies adopted in preparing the unaudited consolidated results conform with accounting principles generally accepted in Hong Kong and accounting standards issued by the Hong Kong Society of Accountants.

2. Turnover

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

3. Taxation

No provision for Hong Kong profits tax has been made as the Group has no assessable profit for the period.

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

4. Earnings (Loss) per share

The calculation of the Group's basic earnings (loss) per share for the three months and nine months ended 31 March 2003 is based on the Group's unaudited profit (loss) attributable to shareholders of approximately HK\$16,235,000 and HK\$48,968,000 (three months and nine months ended 31 March 2002: approximately HK\$5,965,000 and (HK\$463,462,000) and the weighted average number of 2,026,197,500 and 2,026,439,173 (three months and nine months ended 31 March 2002: 2,027,864,500 and 2,028,458,128) shares respectively in issue during the respective periods.

The computation of diluted earnings (loss) per share does not assume the exercise of share options and conversion of convertible note as the exercise price of the Company's outstanding share options was higher than the average market price of the shares of the Company and the conversion of the Company's outstanding convertible note is anti-dilutive for the respective periods.

5. Reserves

	Three months ended 31 March					2002
	Share Premium HK\$'000	Exchange Reserve HK\$'000	Property Revaluation Reserve HK\$'000	Accumulated Losses HK\$'000	Total HK\$'000	Total HK\$'000
At beginning of the period	3,868,367	288	23,518	(822,861)	3,069,312	3,202,702
Net profit for the period	-	-	-	16,235	16,235	5,965
At end of the period	3,868,367	288	23,518	(806,626)	3,085,547	3,208,667

	Nine months ended 31 March					2002
	Share Premium HK\$'000	Exchange Reserve HK\$'000	Property Revaluation Reserve HK\$'000	Accumulated Losses HK\$'000	Total HK\$'000	Total HK\$'000
At beginning of the period	3,869,931	288	23,518	(855,594)	3,038,143	3,679,665
Repurchase of own shares	(1,564)	-	-	-	(1,564)	(7,536)
Net profit (loss) for the period	-	-	-	48,968	48,968	(463,462)
At end of the period	3,868,367	288	23,518	(806,626)	3,085,547	3,208,667

6. Comparative figures

Certain comparative figures have been reclassified to conform with current period's presentation.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 March 2003 (2002: nil).

DIRECTORS' INTERESTS IN EQUITY SECURITIES

Despite the coming into effect of the Securities and Futures Ordinance on 1 April 2003, the new disclosure requirements under the GEM Listing Rules will not be applied to disclosures for the period ending before 1 April 2003.

As at 31 March 2003, the interests of the directors and the chief executive in the equity securities of the Company and its associated corporations (as defined in the Repealed Securities (Disclosure of Interests) Ordinance (the "Repealed SDI Ordinance")) as recorded in the register maintained by the Company pursuant to Section 29 of the Repealed 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 *	1,742,500
Kwok Ping Sheung, Walter	-	-	-	1,070,000 *	1,070,000
Kwok Ping Kwong, Thomas	-	-	-	1,070,000 *	1,070,000
Wong Yick Kam, Michael	100,000	-	-	-	100,000
Yen Shiao Hua, Sheridan	50,000	-	-	-	50,000
So Chung Keung, Alfred	416	543	-	-	959

* Note: Those were deemed interests (by virtue of the Repealed SDI Ordinance) of Messrs. Kwok Ping Luen, Raymond, Kwok Ping Sheung, Walter and Kwok Ping Kwong, Thomas, which represented the same interests and were 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	-	-	-	1,079,365,895*	1,079,365,895
Kwok Ping Sheung, Walter	-	-	-	1,078,172,522*	1,078,172,522
Kwok Ping Kwong, Thomas	1,901,281	304,065	-	1,076,222,214*	1,078,427,560
Chan Kui Yuen, Thomas	126,500	66,000	-	-	192,500
Wong Yick Kam, Michael	50,904	-	-	-	50,904
Leung Kui King, Donald	10,000	-	-	-	10,000
So Chung Keung, Alfred	189,985	6,500	-	-	196,485

* Note: Those were deemed interests (by virtue of the Repealed SDI Ordinance) of Messrs. Kwok Ping Luen, Raymond, Kwok Ping Sheung, Walter and Kwok Ping Kwong, Thomas. Of those shares in Sun Hung Kai Properties Limited ("SHKP"), 1,056,188,347 shares represented the same interests and were 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*
Hung Carom Company Limited	25 Ordinary shares	Corporate*
Tinyau Company Limited	1 Ordinary share	Corporate*
Open Step Limited	8 Ordinary shares	Corporate*

Note: Those were deemed interests (by virtue of the Repealed SDI Ordinance) of Messrs. Kwok Ping Luen, Raymond, Kwok Ping Sheung, Walter and Kwok Ping Kwong, Thomas because those securities 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.

- (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 698,767 ordinary shares in the equity securities of SmarTone Telecommunications Holdings Limited (“SmarTone”).
- (d) Professor Li On Kwok, Victor had family interests of 5,000 ordinary shares in the equity securities of SmarTone.

As the Company has not issued any debt securities, therefore save as disclosed in sub-sections 1, 2 and 3 above, none of the other directors had any interests in the equity and debt securities of the Company nor in any of its associated corporations as at 31 March 2003 as recorded in the register maintained under Section 29 of the Repealed 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.

4. SUNeVision Share Options Schemes

As at 31 March 2003, the following directors had been granted share options for nominal consideration to subscribe for shares in the Company, details of which were as follows:

(a) Pre-IPO Share Options

The Company by shareholders’ resolutions passed at its Annual General Meeting held on 3 December 2002 has terminated the Pre-IPO Share Options. No further options could be offered under the Pre-IPO Share Options.

Name of Directors	Number of options granted on 28.3.2000 at exercise price of HK\$10.38 per share	Number of options granted on 30.11.2000 at exercise price of HK\$3.885 per share	Number of options granted on 7.4.2001 at exercise price of HK\$2.340 per share	Number of options granted on 8.7.2002 at exercise price of HK\$1.43 per share	Balance of options as at 31.03.2003
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Kwok Ping Luen, Raymond	755,000	-	350,000	-	1,105,000
Kwok Ping Sheung, Walter	415,000	-	180,000	-	595,000
Kwok Ping Kwong, Thomas	415,000	-	180,000	-	595,000
Yen Shiao Hua, Sheridan	-	450,000	350,000	800,000	1,600,000
Chan Kui Yuen, Thomas	510,000	-	180,000	-	690,000
Wong Yick Kam, Michael	360,000	-	180,000	-	540,000
Leung Kui King, Donald	360,000	-	180,000	-	540,000
So Chung Keung, Alfred	360,000	-	180,000	-	540,000
Tung Chi Ho, Eric	360,000	-	180,000	-	540,000
Wong Chin Wah	360,000	-	180,000	-	540,000
Tung Yiu Kwan, Stephen	360,000	-	180,000	-	540,000
So Sing Tak, Andrew	-	-	-	400,000	400,000

The options at the exercise price of HK\$10.38 per share could be exercised in accordance with the terms of the relevant scheme as to:

- (i) one third of the options within three years commencing on 31 December 2000;
- (ii) a further one third of the options within three years commencing on 31 December 2001;
- (iii) the remaining one third of the options within three years commencing on 31 December 2002; and
- (iv) the options would expire at the close of business on 30 December 2005.

The options at the price of HK\$3.885 per share could be exercised in accordance with the terms of the relevant scheme as to:

- (i) one third of the options within three years commencing on 15 November 2001;
- (ii) a further one third of the options within three years commencing on 15 November 2002;
- (iii) the remaining one third of the options within three years commencing on 15 November 2003; and
- (iv) the options would expire at the close of business on 14 November 2006.

The options at the exercise price of HK\$2.34 per share could be exercised in accordance with the terms of the relevant scheme as to:

- (i) one third of the options within three years commencing on 20 March 2002;
- (ii) a further one third of the options within three years commencing on 20 March 2003;
- (iii) the remaining one third of the options within three years commencing on 20 March 2004; and
- (iv) the options would expire at the close of business on 19 March 2007.

The options at the exercise price of HK\$1.43 per share could be exercised in accordance with the terms of the relevant scheme as to:

- (i) one third of the options within three years commencing on 8 July 2003;
- (ii) a further one third of the options within three years commencing on 8 July 2004; and
- (iii) the remaining one third of the options within three years commencing on 8 July 2005.
- (iv) the options would expire at the close on business on 7 July 2008.

(b) SUNeVision Share Options

The Company by shareholders' resolutions passed at its Annual General Meeting held on 3 December 2002 had adopted a new share option scheme "SUNeVision Share Options", which had become effective on 5 December 2002

No option shares for the SUNeVision Share Options had been granted to any person since its adoption as required to be disclosed under the GEM Listing Rules.

5. Sun Hung Kai Properties Limited Share Options

Pursuant to the share option scheme of SHKP adopted on 20 November 1997 ("SHKP Old Share Options"), the following directors of the Company had been granted share options ("SHKP Options") for nominal consideration to subscribe for shares in SHKP, details of which were as follows:

Name of Directors	Number of SHKP Options granted on 15.2.2000 at exercise price of HK\$70.00 per share	Number of SHKP Options granted on 16.7.2001 at exercise price of HK\$70.00 per share	Balance of options as at 31.03.2003
Kwok Ping Luen, Raymond	-	75,000	75,000
Kwok Ping Sheung, Walter	-	75,000	75,000
Kwok Ping Kwong, Thomas	-	75,000	75,000
Chan Kui Yuen, Thomas	150,000	75,000	225,000
Wong Yick Kam, Michael	150,000	75,000	225,000
Leung Kui King, Donald	-	36,000	36,000
So Chung Keung, Alfred	120,000	60,000	180,000
Tung Chi Ho, Eric	120,000	60,000	180,000
Wong Chin Wah	-	36,000	36,000
Tung Yiu Kwan, Stephen	-	24,000	24,000

All options granted and accepted under the SHKP Old Share Options could be exercised up to one third during the second year from the date of grant, up to two thirds during the third year from the date of grant, and in whole or in part during the fourth and fifth years from the date of grant, thereafter the relevant option would expire.

SHKP by ordinary resolutions passed at its extraordinary general meeting held on 5 December 2002 had adopted a new share option scheme ("SHKP New Share Options") and terminated the SHKP Old Share Options. No option shares have been granted under the SHKP New Share Options to any person since its adoption as required to be disclosed under the GEM Listing Rules.

6. Share Option Schemes of Subsidiaries

In addition to the Pre-IPO Share Options and the SUNeVision Share Options, the Group operated another share option scheme which was approved for iAdvantage Limited, a subsidiary of the Company, allowing its boards of directors the right to grant to its full-time employees and executive directors options to subscribe for its shares in aggregate up to 10% of its issued capital from time to time. No option shares for iAdvantage Limited had been granted to any person since its adoption as required to be disclosed under the GEM Listing Rules.

Save as disclosed in sub-sections 4, 5 and 6 above, at no time during the nine months ended 31 March 2003 was the Company 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 of, the Company and none of the directors or the chief executive, or their spouses or children under the age of 18, had any rights to subscribe for equity or debt securities of the Company.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2003, the interests of every person, other than a director or chief executive of the Company, being 10% or more in the equity securities of the Company as recorded in the register required to be kept under Section 16(1) of the Repealed SDI Ordinance, were as follows:

Name	Number of Shares
Sunco Resources Limited (“Sunco”)	1,713,613,500
SHKP (Note 1)	1,713,613,500
HSBC Holdings plc (Note 2)	1,717,777,673
HSBC Bank plc (Note 2)	1,717,623,321
Midcorp Limited (Note 2)	1,717,623,321
Griffin International Limited (Note 2)	1,717,623,321
HSBC Europe BV (Note 2)	1,717,623,321
HSBC Europe (Netherlands) BV (Note 2)	1,717,623,321
HSBC Private Banking Holdings (Suisse) SA (Note 2)	1,717,623,321
HSBC International Trustee Limited (Note 3)	1,717,623,249

Notes:

1. As Sunco was a wholly-owned subsidiary of SHKP, SHKP was deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the Repealed SDI Ordinance.
2. The shares in which HSBC International Trustee Limited was interested were the shares in which HSBC Private Banking Holdings (Suisse) SA was interested; the shares in which HSBC Private Banking Holdings (Suisse) SA was interested were the shares in which HSBC Europe (Netherlands) BV was interested; the shares in which HSBC Europe (Netherlands) BV was interested were the shares in which HSBC Europe BV was interested; the shares in which HSBC Europe (Netherlands) BV was interested were the shares in which HSBC Europe BV was interested; the shares in which HSBC Europe (Netherlands) BV was interested were the shares in which HSBC Europe BV was interested; the shares in which HSBC Europe BV was interested were the shares in which Griffin International Limited was interested; the shares in which Griffin International Limited was interested were the shares in which Midcorp Limited was interested; the shares in which Midcorp Limited was interested were the shares in which HSBC Bank plc was interested and the shares in which HSBC Bank plc 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 1,056,188,347 shares were part of the shares referred to in the Note to sub-section 2 of the section on "Directors' Interests in Equity Securities".

MANAGEMENT SHAREHOLDERS

So far as the directors are aware, other than Sunco and SHKP as disclosed above, there was no other person during the period who was directly or indirectly interested in 5% or more of the shares then in issue and who was able, as a practical matter, to direct or influence the management of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Kwok Ping Luen, Raymond, the Company’s Chairman and Chief Executive Officer, is also the Chairman of SmarTone, an associated company of the Company, within the meaning of the Repealed SDI Ordinance. The business of SmarTone consists of Internet services, which may be in competition with part of the business of the Group. Likewise, both Mr. Wong Yick Kam, Michael and Mr. So Sing Tak, Andrew, the Company's Executive Directors, are also Non-Executive Directors of SmarTone.

The Independent Non-Executive Directors of the Company, Professor Kao Kuen, Charles 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. Professor Zhang Shoucheng, Steven resigned as an Independent Non-Executive Director with effect from 1 March 2003.

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

AUDIT COMMITTEE

The audit committee has three members comprising two Independent Non-Executive Directors, Professor Kao Kuen, Charles (Chairman) and Professor Li On Kwok, Victor and one Non-Executive Director, Mr. Cheung Wing Yui, with terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee has reviewed the draft of this Report and has provided advice and comments thereon.

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

During the nine months ended 31 March 2003, the Company repurchased on the Stock Exchange a total of 1,667,000 ordinary shares of HK\$0.1 each in the share capital of the Company at an aggregate price of HK\$1,712,890.00, details of which are as follows:

Month of Repurchase	No. of Shares Repurchased	Price per Share		Aggregate Price Paid HK\$
		Highest HK\$	Lowest HK\$	
July 2002	676,000	1.090	1.000	716,075.00
August 2002	765,000	1.080	1.000	787,020.00
September 2002	183,000	0.950	0.920	172,200.00
October 2002	43,000	0.930	0.830	37,595.00
November 2002	0	0	0	0
December 2002	0	0	0	0
January 2003	0	0	0	0
February 2003	0	0	0	0
March 2003	0	0	0	0
	<u>1,667,000</u>			<u>1,712,890.00</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. Those shares were cancelled shortly after 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 nine months ended 31 March 2003.

By Order of the Board

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer

Hong Kong, 12 May 2003