
Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

HIGHLIGHTS

- SUNeVision remained profitable in the first nine months of the financial year. The Group made a net profit of HK\$66.2 million, up 35% from the HK\$48.9 million recorded in the corresponding period last year.
- Profit from operations after finance costs improved by nearly 27%, from HK\$52.2 million to HK\$66.2 million.
- Operating expenditures continued to decline for the 15th consecutive quarter, to HK\$41.6 million compared to HK\$52.5 million in the same period last financial year.
- Financial position still strong, with approximately HK\$1.3 billion in cash and interest-bearing securities on hand.

	Jul 2003 to Mar 2004 HK\$'M	Jul 2002 to Mar 2003 HK\$'M
Turnover	170.7	182.6
Gross profit	50.2	52.3
<i>– as a % of turnover</i>	29.4%	28.7%
Operating expenditures*	(41.6)	(52.5)
Other revenue	57.6	66.9
Finance costs	–	(14.5)
Profit from operations after finance costs	66.2	52.2

* *Selling, general and administrative expenses*

CHAIRMAN'S STATEMENT

SUNeVision continued to be profitable in the first nine months of the financial year 2003/04, achieving a net profit of HK\$66.2 million for the nine months ended 31 March 2004.

Turnover in the first nine months of the financial year 2003/04 was HK\$170.7 million, a moderate 6% decline from the corresponding period of the last financial year. Factors behind the change included a decline in revenue from the Group's last-mile connectivity businesses due to slow project starts in the first half of the financial year, and a decline in revenue from the property-related website businesses. Gross margin for the period was 29%, a level similar to the corresponding period of the last financial year.

Other revenue was HK\$57.6 million. This amount represented a 14% decline from the corresponding period of the last financial year, which benefited from higher interest income generated by the larger cash reserve before the Group repaid its shareholder loan of HK\$730 million in February 2003, and a one-time net gain from the disposal of bond investments.

Operating expenditures were HK\$41.6 million, a 21% decline from the corresponding period of the last financial year. The Group's operating expenditures have now fallen for fifteen consecutive quarters. Net profit for the period was HK\$66.2 million, up 35% from the corresponding period of the last financial year.

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

During the third quarter of the financial year, iAdvantage added Hewlett-Packard and Atos Origin, two leading information technology and outsourcing service providers to large multinationals from the United States and Europe, to its world-class Internet data centres. These additions reinforced iAdvantage's position as the leading carrier-neutral data centre provider in Hong Kong. Overall occupancy in the third quarter of the financial year was approximately 57%. During the period, Super e-Technology, Super e-Network, SuperStreets, SuperHome, and Red-Dots continued to deliver valued services to their customers while improving productivity.

Looking forward to the last quarter of the financial year, iAdvantage will continue to strengthen its market position as the leading carrier-neutral data centre provider and telecommunications hub in Hong Kong. The Group will also continue to seek opportunities to grow from its core IT businesses. As noted in SUNeVision's interim report, the Group will strive to achieve full-year profitability so that a payment of a dividend to shareholders may be considered at the end of the financial year.

I would like to close by thanking the SUNeVision board, management, and every member of staff for their ongoing dedication and hard work.

KWOK PING LUEN, RAYMOND
Chairman and Chief Executive Officer

Hong Kong, 13 May 2004

MANAGING DIRECTOR'S REPORT

OVERVIEW

SUNeVision remained profitable in the nine months up to March 31 of its 2003-04 financial year. The Group made a net profit of HK\$66.2 million, up 35% from the HK\$48.9 million recorded in the corresponding period last year.

Profit from operations after finance costs improved by nearly 27%, from HK\$52.2 million to HK\$66.2 million. Gross margin rose by nearly 1% to 29%, while operating expenditure fell for the 15th consecutive quarter. The drop was approximately 21% or HK\$10.9 million, resulting in operating expenses of HK\$41.6 million compared to HK\$52.5 million in the same period of the last financial year.

Turnover tapered off a moderate 6% compared to the first three quarters of the last financial year, from HK\$182.6 million to HK\$170.7 million. A decline in revenue from the Group's property-related web sites and last-mile connectivity business because of slow project starts in the first half of the financial year contributed to the adjustment. While those situations persist to some degree, the operating environment is improving. Gross profit dropped slightly by 4%, but the growth in net profit shows that the quality of revenue is improving.

Other revenue came to HK\$57.6 million, off approximately 14% compared to the corresponding period in the last financial year. Last year, however, included contributions from a one-time net gain from the disposal of bond investments and higher interest income generated by larger cash reserves before the Group repaid a shareholder loan of HK\$730 million in February 2003.

The Group's finances remain strong and stable, with approximately HK\$1.3 billion in cash and interest-bearing securities in reserve. SUNeVision will take full advantage of its core competence and strong financial position to strive for better business performance and continued profitability in the year, with the total support of its parent company.

DATA INFRASTRUCTURE

iAdvantage

iAdvantage signed up more new multinational customers to its world-class data centres, including Hewlett-Packard and Atos Origin, leading firms that offer expertise in information technology and outsourcing to large multinationals from the United States and Europe. Other new major tenants include world-renowned companies like Unisys and Orient Overseas Container Line. These signings reinforced iAdvantage's position as the leading carrier-neutral data centre operator in Hong Kong. Overall occupancy in the third quarter of the financial year was approximately 57%.

iAdvantage continues to serve major international telecommunications companies. New clients include the leading telecommunications operator in China and a major international carrier. Large corporations are increasing their spending on IT and telecommunications as the economy recovers, and sales in the pipeline are picking up. The demand for data centre service is expected to continue rising.

As more companies outsource their IT functions and step up technology investments in both Hong Kong and the Mainland, iAdvantage will stay in close cooperation with major IT outsourcing partners to generate a steady stream of new business opportunities. Looking forward to the last quarter of the financial year, iAdvantage continues to strengthen its market position as the leading carrier-neutral data centre provider and telecommunications hub in Hong Kong.

Super e-Technology

Super e-Technology was awarded 16 contracts to maintain SMATV, voice/data and security surveillance systems during the third quarter of the 2003-04 financial year. The company developed and has successfully deployed its 'Super e-Shooter' system to measure the flow of people in shopping malls. The results have been satisfactory and the number of enquiries about the system is steadily increasing. There was steady progress in the commissioning of pay-TV systems during the period under review.

Super e-Network

Super e-Network continues to grow by offering various value-added services to broadband users. The company is currently completing its installation in Phase 1 of YOHO Town in Yuen Long and creating a wireless LAN in ifc mall. Revenue and net profit are expected to increase further as more value-added broadband services come on line in the near future.

ENABLING SERVICES

SuperHome

SuperHome's home related services continued to make life more convenient and comfortable for residents of about 200 estates in Hong Kong. An extensive network and trusted brand name position SuperHome ideally to provide an expanding list of value-added products and services from specially selected partners to residents who are now accustomed to the unique convenience and value the company offers.

SuperStreets

SuperStreets focused on providing a range of enabling services to prospective and new property buyers during the period. In a swift response to the resurgence in Hong Kong's property market, SuperStreets' mortgage referral service will cover both re-financing and first mortgages.

Red-Dots

Red-Dots' performance continued to improve steadily, as it signed up new registered users and featured merchants up to the third quarter of the 2003-04 financial year. Its loyal membership base has now grown to over 220,000. Looking ahead, Red-Dots will focus on providing market-leading service to its customers while increasing business volume.

INVESTMENTS

Venture Capital

The venture capital group kept up its search for investment opportunities during the period under review, looking for credible, well-established technology companies with products or services synergistic with SUNeVision's core businesses. The Group maintains a prudent and conservative approach to investments, committing new funds only where returns can be reasonably expected and are demonstrably attractive. No further provisions were made on the current portfolio during the period under review.

YEN SHIAO HUA, SHERIDAN

Managing Director

Hong Kong, 13 May 2004

QUARTERLY RESULTS For the period ended 31 March 2004 (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 2004 together with the comparative unaudited figures for the corresponding periods in 2003 as follows:

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover	2	56,799	59,914	170,745	182,554
Cost of sales		(37,887)	(42,543)	(120,511)	(130,210)
Gross profit		18,912	17,371	50,234	52,344
Other income		16,216	19,868	57,584	66,945
		35,128	37,239	107,818	119,289
Selling expenses		1,906	1,961	6,017	6,644
Administrative expenses		11,252	14,503	35,560	45,884
Profit from operations		21,970	20,775	66,241	66,761
Finance charges		4	3,489	16	14,550
Share of loss of an associate		-	1,028	-	3,169
Profit before taxation		21,966	16,258	66,225	49,042
Taxation	3	-	(23)	(15)	(70)
Profit before minority interests		21,966	16,235	66,210	48,972
Minority interests		-	-	-	(4)
Profit attributable to shareholders		21,966	16,235	66,210	48,968
Earnings per share	4				
– Basic		1.08 cents	0.80 cents	3.27 cents	2.41 cents
– Diluted		1.08 cents	N/A	3.27 cents	N/A

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 centers and information technology facilities, installation and maintenance of satellite master antenna television system, communal aerial broadcast distribution, 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 in the financial statements as the Group has no assessable profit for the periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

4. Earnings per share

The calculation of the Group's basic earnings per share for the three months and nine months ended 31 March 2004 is based on the Group's unaudited profit attributable to shareholders of approximately HK\$21,966,000 and HK\$66,210,000 (three months and nine months ended 31 March 2003: approximately HK\$16,235,000 and HK\$48,968,000) and on the weighted average number of 2,026,197,500 and 2,026,197,500 (three months and nine months ended 31 March 2003: 2,026,197,500 and 2,026,439,173) shares respectively in issue during the respective periods.

The computation of diluted earnings per share for the three months and nine months ended 31 March 2004 is based on the Group's unaudited profit attributable to shareholders of approximately HK\$21,966,000 and HK\$66,210,000 and on the weighted average number 2,026,783,415 and 2,026,967,653 shares respectively, after adjusting for the effects of all dilutive potential ordinary shares during the periods.

No diluted earnings per share is presented for the three months and nine months ended 31 March 2003 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 would have an anti-dilutive effect.

5. Reserves

	Three months ended 31 March					2003
	2004					
	Property					
	Share Premium HK\$'000	Exchange Reserve HK\$'000	Revaluation Reserve HK\$'000	Accumulated Losses HK\$'000	Total HK\$'000	
At beginning of the period	3,868,367	288	6,233	(1,152,122)	2,722,766	3,069,312
Net profit for the period	-	-	-	21,966	21,966	16,235
At end of the period	3,868,367	288	6,233	(1,130,156)	2,744,732	3,085,547

	Nine months ended 31 March					2003
	2004					
	Property					
	Share Premium HK\$'000	Exchange Reserve HK\$'000	Revaluation Reserve HK\$'000	Accumulated Losses HK\$'000	Total HK\$'000	
At beginning of the period	3,868,367	288	6,233	(1,196,366)	2,678,522	3,038,143
Repurchase of own shares	-	-	-	-	-	(1,564)
Net profit for the period	-	-	-	66,210	66,210	48,968
At end of the period	3,868,367	288	6,233	(1,130,156)	2,744,732	3,085,547

DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 March 2004 (2003: nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 March 2004, the interests and short positions of Directors and Chief Executive in shares and, in respect of equity derivatives, underlying shares and debentures of the Company and its Associated Corporations as required to be disclosed under and within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") were as follows:

1. Long positions in shares and underlying shares of the Company:

Name of Director	Beneficial owner	Discretionary trust founder & trust beneficiary	Child under 18 or spouse	Equity derivatives (share option)	Total	% of shares in issue
Kwok Ping Luen, Raymond	-	1,742,500*	-	853,333	2,595,833	0.12
Kwok Ping Sheung, Walter	-	1,070,000*	-	456,667	1,526,667	0.07
Kwok Ping Kwong, Thomas	-	1,070,000*	-	456,667	1,526,667	0.07
Chan Kui Yuen, Thomas	-	-	-	520,000	520,000	0.02
Wong Yick Kam, Michael	100,000	-	-	420,000	520,000	0.02
Leung Kui King, Donald	-	-	-	420,000	420,000	0.02
So Chung Keung, Alfred	416	-	543	620,000	620,959	0.03
Tung Chi Ho, Eric	-	-	-	420,000	420,000	0.02
Tung Yiu Kwan, Stephen	-	-	-	620,000	620,000	0.03
Wong Chin Wah	-	-	-	620,000	620,000	0.03
Yen Shiao Hua, Sheridan	50,000	-	-	2,400,000	2,450,000	0.12
So Sing Tak, Andrew	-	-	-	800,000	800,000	0.03

* **Note:** Of these shares in the Company, Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond 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 positions in shares and underlying shares of Sun Hung Kai Properties Limited:

Name of Director	Beneficial owner	Discretionary trust founder & trust beneficiary	Child under 18 or spouse	Corporate	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	1,076,372,214*	304,065	-	75,000	1,078,652,560	44.92
Chan Kui Yuen, Thomas	-	-	66,000	126,500	225,000	417,500	0.01
Wong Yick Kam, Michael	70,904	-	-	-	225,000	295,904	0.01
Leung Kui King, Donald	10,000	-	-	-	36,000	46,000	0
So Chung Keung, Alfred	189,985	-	6,500	-	180,000	376,485	0.01
Tung Chi Ho, Eric	-	-	-	-	180,000	180,000	0
Wong Chin Wah	-	-	-	-	36,000	36,000	0
Tung Yiu Kwan, Stephen	-	-	-	-	24,000	24,000	0

* **Note:** Of these shares in SHKP, Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond were deemed to be interested in 1,056,338,347 shares, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO.

3. Long positions in shares and underlying shares of other Associated Corporations:

(a) SmarTone Telecommunications Holdings Limited:

Name of Director	Interests as discretionary trust founder & trust beneficiary	Child under 18 or spouse	% of shares in issue
Kwok Ping Luen, Raymond	1,873,267	–	0.32
Li On Kwok, Victor	–	5,000	0

(b) The Kowloon Motor Bus Holdings Limited:

Name of Director	Beneficial owner	% of shares in issue
Kwok Ping Sheung, Walter	61,522	0.01
Kwok Ping Luen, Raymond	393,350	0.09

(c) Each of Messrs. Kwok Ping Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond had the following interests in shares of the following Associated Corporations:

Name of Associated Corporation	Beneficial owner	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 Sheung, Walter, Kwok Ping Kwong, Thomas and Kwok Ping Luen, Raymond were deemed to be interested in these shares, which represented the same interests and were therefore duplicated amongst these three Directors for the purpose of the SFO. Those shares were held by corporations in which they were entitled to control the exercise of one-third or more of the voting rights in the general meetings of those corporations.

The interests of the Directors and the Chief Executive in the share options (being regarded for the time being as unlisted physically settled equity derivatives) of the Company and its Associated Corporations are stated in detail in the following sub-section 4 and Share Option Schemes section below.

4. Sun Hung Kai Properties Limited Share Options

SHKP once adopted a share option scheme on 20 November 1997 (“the Old Scheme”). Since its adoption, SHKP had granted two lots of share options on 15 February 2000 and 16 July 2001. All options granted and accepted can still be exercised up to one-third during the second year from the date of grant, up to two-thirds during the third year from the date of grant, and in whole or in part during the fourth and fifth years from the date of grant, thereafter the relevant option will expire.

SHKP by ordinary resolutions passed at its extraordinary general meeting held on 5 December 2002 has adopted a new share option scheme (“the New Scheme”) and terminated the Old Scheme in order to comply with the new requirements under the then revised Chapter 17 of the Listing Rules. No further options may be offered under the Old Scheme. However, the outstanding options granted under the Old Scheme mentioning in the following paragraphs shall continue to be subject to the provisions of the Old Scheme and the revised provisions of Chapter 17 of the Listing Rules. No option shares have been granted under the New Scheme to any person since its adoption.

The following shows the outstanding positions of the Directors and the Chief Executive as at 31 March 2004 with respect to their share options granted under the Old Scheme:

Name of Director	Date of Grant	Exercise price	Number of share options				Balance as at 31.3.2004
			Balance as at 1.7.2003	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Kwok Ping Luen, Raymond <i>(Chairman and Chief Executive Officer)</i>	16.7.2001	70.00	75,000	–	–	–	75,000
Kwok Ping Sheung, Walter	16.7.2001	70.00	75,000	–	–	–	75,000
Kwok Ping Kwong, Thomas	16.7.2001	70.00	75,000	–	–	–	75,000
Chan Kui Yuen, Thomas	15.2.2000	70.00	150,000	–	–	–	150,000
	16.7.2001	70.00	75,000	–	–	–	<u>75,000</u> 225,000
Wong Yick Kam, Michael	15.2.2000	70.00	150,000	–	–	–	150,000
	16.7.2001	70.00	75,000	–	–	–	<u>75,000</u> 225,000
Leung Kui King, Donald	16.7.2001	70.00	36,000	–	–	–	36,000
	15.2.2000	70.00	120,000	–	–	–	120,000
So Chung Keung, Alfred	16.7.2001	70.00	60,000	–	–	–	<u>60,000</u> 180,000
	15.2.2000	70.00	120,000	–	–	–	120,000
Tung Chi Ho, Eric	16.7.2001	70.00	60,000	–	–	–	<u>60,000</u> 180,000
	15.2.2000	70.00	120,000	–	–	–	120,000
Wong Chin Wah	16.7.2001	70.00	36,000	–	–	–	36,000
Tung Yiu Kwan, Stephen	16.7.2001	70.00	24,000	–	–	–	24,000

Save as disclosed above, as at 31 March 2004, none of the Directors and the Chief Executive of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in shares, underlying shares or debentures of the Company and its Associated Corporations, that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in GEM Listing Rule 5.46.

SHARE OPTION SCHEMES

1. Pre-IPO Share Options

The Company had adopted a share option scheme “Pre-IPO Share Options”, the principal terms of which were summarized in the section headed “Statutory and General Information Share Option Schemes” in Appendix 5 to the Company’s prospectus dated 6 March 2000. Since its adoption, the Company had granted four lots of share options.

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

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

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

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

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

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

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

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

2. SUNeVision Share Options

The Company by shareholders' resolutions passed at its Annual General Meeting held on 3 December 2002, has adopted a share option scheme "SUNeVision Share Options" and terminated the Pre-IPO Share Options. These have become effective on 5 December 2002 as a result of the passing of ordinary resolutions approving the same by the shareholders of the Company's holding company, SHKP, at its general meeting held on the same day. No further options may be offered under the Pre-IPO Share Options. However, the outstanding options granted under the Pre-IPO Share Options, as mentioned in the preceding paragraphs, shall continue to be subject to the provisions of the Pre-IPO Share Options and the provisions of Chapter 23 of the GEM Listing Rules. Since the adoption of the SUNeVision Share Options, the Company had granted one lot of share options at the exercise price of HK\$1.59 per share which may be exercised in accordance with the terms of the relevant scheme as to:

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

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

Name of Director	Date of Grant	Exercise price	Balance as at 1.7.2003	Number of share options			Balance as at 31.3.2004
				Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Kwok Ping Luen, Raymond <i>(Chairman and Chief Executive Officer)</i>	28.3.2000	10.38	755,000	-	-	251,667	503,333
	7.4.2001	2.34	350,000	-	-	350,000	853,333
Kwok Ping Sheung, Walter	28.3.2000	10.38	415,000	-	-	138,333	276,667
	7.4.2001	2.34	180,000	-	-	180,000	456,667
Kwok Ping Kwong, Thomas	28.3.2000	10.38	415,000	-	-	138,333	276,667
	7.4.2001	2.34	180,000	-	-	180,000	456,667
Yen Shiao Hua, Sheridan	30.11.2000	3.885	450,000	-	-	-	450,000
	7.4.2001	2.34	350,000	-	-	-	350,000
	8.7.2002	1.43	800,000	-	-	-	800,000
	29.11.2003	1.59	-	800,000	-	-	800,000
Chan Kui Yuen, Thomas	28.3.2000	10.38	510,000	-	-	170,000	340,000
	7.4.2001	2.34	180,000	-	-	180,000	520,000
Wong Yick Kam, Michael	28.3.2000	10.38	360,000	-	-	120,000	240,000
	7.4.2001	2.34	180,000	-	-	180,000	420,000
Leung Kui King, Donald	28.3.2000	10.38	360,000	-	-	120,000	240,000
	7.4.2001	2.34	180,000	-	-	180,000	420,000
So Chung Keung, Alfred	28.3.2000	10.38	360,000	-	-	120,000	240,000
	7.4.2001	2.34	180,000	-	-	180,000	420,000
	29.11.2003	1.59	-	200,000	-	200,000	620,000
Tung Chi Ho, Eric	28.3.2000	10.38	360,000	-	-	120,000	240,000
	7.4.2001	2.34	180,000	-	-	180,000	420,000
Wong Chin Wah	28.3.2000	10.38	360,000	-	-	120,000	240,000
	7.4.2001	2.34	180,000	-	-	180,000	420,000
	29.11.2003	1.59	-	200,000	-	200,000	620,000
Tung Yiu Kwan, Stephen	28.3.2000	10.38	360,000	-	-	120,000	240,000
	7.4.2001	2.34	180,000	-	-	180,000	420,000
	29.11.2003	1.59	-	200,000	-	200,000	620,000
So Sing Tak, Andrew	8.7.2002	1.43	400,000	-	-	-	400,000
	29.11.2003	1.59	-	400,000	-	-	400,000

3. Share Option Schemes of Subsidiaries

In addition to the Pre-IPO Share Options and the SUNeVision Share Options, the Group operates another share option scheme which was approved for iAdvantage Limited, a subsidiary of the Company, allowing its Board of Directors the right to grant to its full-time employees and Executive Directors options to subscribe for its shares in aggregate up to 10% of its issued capital from time to time. The exercise period of any option granted under the share option scheme of iAdvantage Limited shall commence on the date of grant of the option and expire on such date as determined by the Board of iAdvantage Limited or 28 February 2010, whichever is the earlier, and subject to the provisions for early termination contained therein. No option shares for iAdvantage Limited have been granted to any person since its adoption as required to be disclosed under the GEM Listing Rules.

4. Arrangement to purchase shares or debentures

Other than the share option schemes as mentioned above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2004, the long positions of every person, other than a Director or the Chief Executive of the Company, being 10% or more in the interest in shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

Name	Total number of shares	% of shares in issue
Sunco Resources Limited ("Sunco") (Note 1)	1,713,613,500	84.57
SHKP (Note 2)	1,713,613,500	84.57
HSBC International Trustee Limited (Note 3)	1,717,623,249	84.77

Notes:

1. Sunco is the beneficial owner of the 1,713,613,500 shares.
2. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the SFO.
3. HSBC International Trustee Limited is deemed to have interest in the 1,713,613,500 shares of the Company held by SHKP. Of the shares in SHKP in which HSBC International Trustee Limited was interested, 1,056,338,347 shares were the shares referred to in Note to sub-section 2 of the section on "Directors' and Chief Executive's Interests".

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

INTERESTS OF OTHER PERSONS

As at 31 March 2004, other than the interests in shares and underlying shares of the Company and its Associated Corporations held by the Directors, Chief Executive and substantial shareholders stated above, there were no other persons with interests recorded in the register required to be kept under section 336 of the SFO.

MANAGEMENT SHAREHOLDERS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Independent Non-Executive Directors of the Company, Professor Kao Kuen, Charles and Professor Li On Kwok, Victor, are well recognized leaders in the field of information technology development and have been appointed to various positions including consultants and Directors to institutions and business entities which are engaged in research, development and business. These institutions and business entities may be in competition with the Group.

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

AUDIT COMMITTEE

The Audit Committee has 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 2004, the Company did not repurchase on the Stock Exchange any ordinary shares in the share capital of the Company.

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 2004.

By Order of the Board

KWOK PING LUEN, RAYMOND

Chairman & Chief Executive Officer

Hong Kong, 13 May 2004

Websites of the SUNeVision Group 新意網集團網址

SUNeVision 新意網

www.sunevision.com

iAdvantage 互聯優勢

www.iadvantage.net

Super e-Technology 新意網科技

www.superetech.com.hk

Red-Dots 點點紅

www.red-dots.com

SuperHome

www.superhome.net

SuperStreets

www.superstreets.net

PropertyStreet 地產街

www.propertystreet.net

BankingStreet 銀行街

www.bankingstreet.net

InsuranceStreet 保險街

www.insurancestreet.net

ReinsuranceMall

www.reinsurancemall.com

www.sunevision.com

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