



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

**2005-2006**

**First Quarterly Report 第一季度業績報告**

Results for the three months ended 30 September 2005  
截至2005年9月30日止三個月業績

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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## HIGHLIGHTS

- SUNeVision recorded a net profit of HK\$31.2 million for the first quarter of the financial year ended 30 September 2005 compared to HK\$20.2 million in the same period last year.
- Turnover in the period under review was HK\$65.7 million, representing an 8% increase over the corresponding period last year.
- Operating expenditures continued to fall to HK\$10.2 million, having declined 13% from the same period last year as a result of continuous improvement in operations.
- SUNeVision's financial position remained strong with approximately HK\$1.5 billion in cash and interest-bearing securities on hand.

	<b>Jul to Sep 2005</b> <i>HK\$'M</i>	Jul to Sep 2004 <i>HK\$'M</i>
Turnover	<b>65.7</b>	60.8
Gross profit	<b>25.8</b>	21.7
– as a percentage of turnover	<b>39.4%</b>	35.7%
Operating expenditures*	<b>(10.2)</b>	(11.8)
Other revenue	<b>17.0</b>	10.3
Profit from operations	<b>32.6</b>	20.2

\* *selling, general and administrative expenses*

## CHAIRMAN'S STATEMENT

SUNeVision continued profitable as it entered the financial year 2005/06, recording a net profit of HK\$31.2 million for the quarter ended 30 September 2005 compared to HK\$20.2 million in the first quarter of last financial year.

Turnover in the first quarter of the financial year 2005/06 was HK\$65.7 million, an 8% increase over that in the first quarter of last financial year. Factors behind the increase included higher revenues from the Group's data centre and last-mile connectivity businesses. Compared to the first quarter of last financial year, gross margin improved 4% to 39%, largely as a result of the increase in revenue and continuous improvement in cost of sales.

Other revenue, being revenue in addition to turnover from operations, was HK\$17.0 million. This amount was significantly higher than that in the first quarter of last financial year due to the gain from the disposal of a bond holding, and an increase in interest income.

Operating expenditures were HK\$10.2 million, a 13% decline from the first quarter of last financial year. The Group's expenditures continued to fall as a result of continuous improvement in operations. Net profit for the quarter was HK\$31.2 million.

The Group's financial position remained strong with approximately HK\$1.5 billion of cash and interest-bearing securities on hand.

During the quarter, iAdvantage continued to add customers to its data centres in Hong Kong and mainland China. Overall occupancy was approximately 67%, a satisfactory improvement over the approximately 62% occupancy in the first quarter of last financial year. During the quarter, the Group's other businesses continued to strengthen their market positions and trim costs.

Looking ahead, iAdvantage will continue to build up its market position and seek to further increase the occupancy of its data centres in Hong Kong and mainland China. The Group will also continue to strengthen its other businesses. The Group will strive to improve upon last year's recurring profits so that payment of dividend to shareholders at the end of the financial year may be considered.

I would like to close by thanking the board, management, and every member of staff for their ongoing dedication and hard work, and our shareholders for their continued trust and support.

**KWOK Ping-luen, Raymond**

*Chairman*

Hong Kong, 4 November 2005

## CHIEF EXECUTIVE OFFICER'S REPORT

### OVERVIEW

SUNeVision continued profitable as it entered the financial year 2005/06, posting a net profit of HK\$31.2 million for the quarter ended 30 September 2005 compared to HK\$20.2 million in the first quarter of last financial year. Turnover in the first quarter of the financial year 2005/06 was HK\$65.7 million, an 8% increase over the same period last year. The increase in turnover arose mainly from higher revenues from the Group's data centre and last-mile connectivity businesses. Gross margin improved 4% to 39% over the same period last year, largely as a result of the increase in revenue and continuous improvement in cost of sales.

Other revenue, being revenue in addition to turnover from operations, was HK\$17.0 million. This amount was significantly higher than that in the same period last year due to the gain from the disposal of a bond holding, and an increase in interest income. Operating expenditures were HK\$10.2 million, having declined 13% from the same period last year as a result of continuous improvement in operations.

The Group's financial position remained strong with approximately HK\$1.5 billion in cash and interest-bearing securities on hand.

### BUSINESS REVIEW

#### Data Infrastructure

##### *iAdvantage*

iAdvantage maintained its market leadership in carrier-neutral data centre services in Hong Kong and the Mainland, and continued to add new clients. Overall occupancy was 67%, a satisfactory improvement over the 62% recorded in the same period last year. The company's world-class data centre facilities and customer-focused service quality enabled it to meet or exceed customers' stringent requirements time and again.

iAdvantage will continue to stay abreast of new customer needs and technological developments. The company is working with a variety of value-added partners to meet the growing demand for data centre services from industries such as financial services, telecommunications, high-tech, and public administration.

##### *Super e-Technology*

Super e-Technology secured numerous contracts to supply and install digital video recorders in shopping malls and residential buildings. The company also obtained additional orders for its Super e-Shooter system. The company is moving ahead with the enablement of SMATV systems to deliver a major pay-TV operator's programming.

### *Super e-Network*

Super e-Network started work on the broadband infrastructure design for the Manhattan Hill residential development in Mei Foo. The concept of intelligent buildings has gained popularity and the system is expected to offer an important high-tech element to the development. In addition, the company is collaborating with various partners to offer WiFi services to complement its existing business.

## **Enabling Services**

### *SuperHome*

SuperHome continued to offer convenient and value-added services to member residents. The company also successfully signed up additional residential estates during the period.

### *SuperStreets*

The mortgage referral business remained stable. SuperStreets continued to exploit its successful niche helping home buyers secure financing at attractive rates quickly and conveniently.

### *Red-Dots*

Red-Dots have assembled a core group of valuable members by providing high-quality, reliable e-commerce and Internet auction services. The company will continue to raise operating standards and improve profitability.

## **Investment**

### *Venture Capital*

The venture capital group stayed with its prudent and conservative approach to investing and will continue to evaluate investment opportunities carefully. Funds will only be committed where there are potentially attractive returns. No further provisions were made to the existing investment portfolio during the period under review.

In closing I would like to thank all our staff for their commitment and hard work, and our shareholders for their continued trust and support.

**SO Sing-tak, Andrew**

*Chief Executive Officer*

Hong Kong, 4 November 2005

## QUARTERLY RESULTS

For the period ended 30 September 2005

(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 ended 30 September 2005 together with the comparative unaudited figures for the corresponding period in 2004 as follows:

		<b>Three months ended 30 September</b>	
	Notes	<b>2005</b> <b>HK\$'000</b>	(Restated) 2004 <b>HK\$'000</b>
Turnover	2	<b>65,685</b>	60,785
Cost of sales		<b>(39,835)</b>	(39,088)
Gross profit		<b>25,850</b>	21,697
Other revenue		<b>16,974</b>	10,294
Selling expenses		<b>42,824</b>	31,991
Administrative expenses		<b>1,646</b>	1,494
Profit from operations		<b>8,539</b>	10,286
Finance charges on finance leases		<b>32,639</b>	20,211
Profit before taxation		<b>–</b>	2
Taxation	3	<b>32,639</b>	20,209
Profit attributable to equity holders of the Company		<b>(1,441)</b>	–
Earnings per share	4	<b>31,198</b>	20,209
– Basic		<b>1.54 cents</b>	1.00 cents
– Diluted		<b>1.54 cents</b>	N/A

**Notes:****1. Basis of preparation**

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("INT") (collectively, "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

The principal accounting policies used in the unaudited consolidated results are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2005, except that the Group has changed certain of its accounting policies following its adoption of the applicable new HKFRSs which are effective for accounting periods beginning on or after 1 January 2005. Effects of the changes are summarised below.

The adoption of HKFRS 2 Share-based Payment has resulted in a change in accounting policy for employee share-based payment transactions. Prior to this, the provision of share options to employees did not result in a charge to the profit and loss account. Following the adoption of HKFRS 2, the fair value of share options at grant date is amortized over the relevant vesting periods to the profit and loss account. As a transitional provision, HKFRS 2 has been applied retrospectively for all share options granted after 7 November 2002 that had not vested on 1 July 2005. To account for the relevant share-based payment transaction not previously recognised, accumulated losses as at 1 July 2004 and 2005 have been restated and increased by approximately HK\$301,000 and HK\$812,000 respectively, net profit for the three months ended 30 September 2004 and 2005 has decreased by approximately HK\$128,000 and HK\$83,000 respectively.

The adoption of HKAS 40 Investment Property has resulted in a change in the accounting policy for the Group's investment property. Changes in valuation of the investment property were previously dealt with in an investment property revaluation reserve, on a portfolio basis. Following the adoption of HKAS 40, all changes in valuation of the investment property would be recognized in the profit and loss account. There is no consequential impact on the Group's financial statements as the Group's investment properties had a net revaluation deficit position as at 30 June 2004 and 2005. There is also no impact on the Group's results for the three months ended 30 September 2004 and 2005.



The adoption of HKAS-INT 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets has resulted in a change in accounting policy relating to deferred taxation of the Group's investment property. Prior to this, deferred tax arising from the revaluation of investment property was calculated on the basis that the property was held for sale. In accordance with the provisions of HKAS-INT 21, the deferred tax arising from the revaluation of the property should be recalculated as if the investment property is held through use and charged to the profit and loss account. Equity attributable to equity holders of the Company has been restated and decreased by approximately HK\$7,121,000 as at 1 July 2005, there is no change to the position as at 1 July 2004. There is no impact on the Group's results for the three months ended 30 September 2004 and 2005.

Leasehold land and buildings were previously carried at valuation less accumulated depreciation and any accumulative impairment losses. In accordance with the provisions of HKAS 17 Leases, a lease of land and building should be split into a lease of land and a lease of building according to their fair value at inception. A lease of land is an operating lease and a lease of building is a finance lease unless the two elements cannot be allocated reliably, in which case the entire lease is classified as a finance lease. Pursuant to these requirements, the land premium paid for distinguishable leasehold land is accounted for as an operating lease and amortized over its unexpired lease term, whereas undistinguishable leasehold land and building is stated collectively at valuation less accumulated depreciation. The new requirements have no material impact to the Group.

The adoption of other applicable new HKFRSs does not result in significant changes to the Group's accounting policies except for certain changes in the presentation and disclosure of the accounts.

The comparative figures for 2004 presented have incorporated the effect of adjustments, where applicable, resulting from the adoption of the new HKFRSs referred to above.

## **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, communal aerial broadcast distribution, structural cabling and security systems, property rentals and building management services, after elimination of all significant inter-company transactions between group companies.

### 3. Taxation

	<b>Three months ended 30 September</b>	
	<b>2005</b>	2004
	<b>HK\$'000</b>	HK\$'000
Current taxation	–	–
Deferred taxation relating to the origination and reversal of temporary differences	<b>1,441</b>	–
	<b>1,441</b>	–

No tax is payable on the profit for both periods arising in Hong Kong since the estimated assessable profit is wholly absorbed by tax losses brought forward.

### 4. Earnings per share

The calculation of basic earnings per share is based on the unaudited profit attributable to equity holders of the Company for the three months ended 30 September 2005 of HK\$31,198,000 (three months ended 30 September 2004: HK\$20,209,000) and the weighted average number of 2,026,730,833 (three months ended 30 September 2004: 2,026,197,500) shares in issue during the period.

The computation of diluted earnings per share is based on the unaudited profit attributable to equity holders of the Company for the three months ended 30 September 2005 of HK\$31,198,000 and the weighted average number of 2,026,739,861 shares, after adjusting for the effects of all dilutive potential ordinary shares during the period.

No diluted earnings per share is presented for the three months ended 30 September 2004 as the exercise price of the Company's outstanding share options was higher than the average market price of the shares of the Company.

## 5. Reserves

	Three months ended 30 September							(Restated)	
	2005						2004		
	Share Premium HK\$'000	Exchange Reserve HK\$'000	Shared-based				Accumulated Losses HK\$'000		Total HK\$'000
			Property Revaluation Reserve HK\$'000	Investment Revaluation Reserve HK\$'000	Payment				
Transactions Reserve HK\$'000			Total HK\$'000						
At beginning of the period, as previously reported	3,869,076	336	6,233	(4,522)	-	(1,032,297)	2,838,826	2,779,652	
Effect of adopting									
- HKFRS 2	-	-	-	-	812	(812)	-	-	
- HKAS-INT 21	-	-	-	-	-	(7,121)	(7,121)	-	
At beginning of the period, as restated	3,869,076	336	6,233	(4,522)	812	(1,040,230)	2,831,705	2,779,652	
Employee share options benefits	-	-	-	-	83	-	83	128	
Release upon disposals of investments	-	-	-	(438)	-	33	(405)	279	
Change in fair value on investments	-	-	-	622	-	-	622	10,488	
Net profit for the period	-	-	-	-	-	31,198	31,198	20,209	
At end of the period	3,869,076	336	6,233	(4,338)	895	(1,008,999)	2,863,203	2,810,756	

## DIVIDEND

The board does not recommend the payment of an interim dividend for the three months ended 30 September 2005 (2004: Nil).

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 September 2005, 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	Personal	Child under 18 or spouse	Others	Equity derivatives (share option)	Total	% of shares in issue
Kwok Ping-luen, Raymond	-	-	1,742,500*	484,999	2,227,499	0.10
Kwok Ping-sheung, Walter	-	-	1,070,000*	258,334	1,328,334	0.06
Kwok Ping-kwong, Thomas	-	-	1,070,000*	258,334	1,328,334	0.06
So Sing-tak, Andrew	-	-	-	800,000	800,000	0.03
Chan Kui-yuen, Thomas	-	-	-	290,000	290,000	0.01
Wong Yick-kam, Michael	100,000	-	-	240,000	340,000	0.01
Leung Kui-king, Donald	-	-	-	240,000	240,000	0.01
So Chung-keung, Alfred	416	543	-	440,000	440,959	0.02
Tung Chi-ho, Eric	-	-	-	240,000	240,000	0.01
Wong Chin-wah	-	-	-	440,000	440,000	0.02
Tung Yiu-kwan, Stephen	-	-	-	440,000	440,000	0.02

Note:

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

## 2. Long positions in shares and underlying shares of Sun Hung Kai Properties Limited

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

Note:

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

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

- (a) SmarTone Telecommunications Holdings Limited:

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

- (b) Each of Messrs. Kwok Ping-luen, Raymond, Kwok Ping-sheung, Walter and Kwok Ping-kwong, Thomas had the following interests in shares of the following Associated Corporations:

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

Note:

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

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

Sun Hung Kai Properties Limited ("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. The first lot expired on 14 February 2005; while options granted and accepted under the second lot can still be exercised in whole before 15 July 2006, thereafter the options 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 30 September 2005 with respect to their share options granted under the Old Scheme:

Name of directors	Date of grant	Exercised price HK\$	Number of share options				Balance as at 30.9.2005
			Balance as at 1.7.2005	Granted during the period	Exercise during the period	Cancelled/Lapsed during the period	
Kwok Ping-luen, Raymond (Chairman)	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	16.7.2001	70.00	75,000	-	-	-	75,000
Wong Yick-kam, Michael	16.7.2001	70.00	75,000	-	-	-	75,000
Leung Kui-king, Donald	16.7.2001	70.00	36,000	-	-	-	36,000
So Chung-keung, Alfred	16.7.2001	70.00	60,000	-	-	-	60,000
Tung Chi-ho, Eric	16.7.2001	70.00	60,000	-	-	-	60,000
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 30 September 2005, 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:

- (a) one-third of the options within three years commencing on 31 December 2000;
- (b) a further one-third of the options within three years commencing on 31 December 2001;
- (c) the remaining one-third of the options within three years commencing on 31 December 2002; and
- (d) 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:

- (a) one-third of the options within three years commencing on 15 November 2001;
- (b) a further one-third of the options within three years commencing on 15 November 2002;
- (c) the remaining one-third of the options within three years commencing on 15 November 2003; and
- (d) 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:

- (a) one-third of the options within three years commencing on 20 March 2002;
- (b) a further one-third of the options within three years commencing on 20 March 2003;



- (c) the remaining one-third of the options within three years commencing on 20 March 2004; and
- (d) 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:

- (a) one-third of the options within three years commencing on 8 July 2003;
- (b) a further one-third of the options within three years commencing on 8 July 2004;
- (c) the remaining one-third of the options within three years commencing on 8 July 2005; and
- (d) 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 30 September 2005 with respect to their Pre-IPO Share Options and SUNeVision Share Options:

Name of directors	Date of grant	Exercise price HK\$	Number of share options				Balance as at 30.9.2005
			Balance as at 1.7.2005	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Kwok Ping-luen, Raymond (Chairman)	28.3.2000	10.38	251,666	-	-	-	251,666
	7.4.2001	2.34	233,333	-	-	-	233,333
							484,999
Kwok Ping-sheung, Walter	28.3.2000	10.38	138,334	-	-	-	138,334
	7.4.2001	2.34	120,000	-	-	-	120,000
							258,334
Kwok Ping-kwong, Thomas	28.3.2000	10.38	138,334	-	-	-	138,334
	7.4.2001	2.34	120,000	-	-	-	120,000
							258,334
So Sing-tak, Andrew (Chief Executive Officer)	8.7.2002	1.43	400,000	-	-	-	400,000
	29.11.2003	1.59	400,000	-	-	-	400,000
							800,000
Chan Kui-yuen, Thomas	28.3.2000	10.38	170,000	-	-	-	170,000
	7.4.2001	2.34	120,000	-	-	-	120,000
							290,000
Wong Yick-kam, Michael	28.3.2000	10.38	120,000	-	-	-	120,000
	7.4.2001	2.34	120,000	-	-	-	120,000
							240,000
Leung Kui-king, Donald	28.3.2000	10.38	120,000	-	-	-	120,000
	7.4.2001	2.34	120,000	-	-	-	120,000
							240,000
So Chung-keung, Alfred	28.3.2000	10.38	120,000	-	-	-	120,000
	7.4.2001	2.34	120,000	-	-	-	120,000
	29.11.2003	1.59	200,000	-	-	-	200,000
							440,000
Tung Chi-ho, Eric	28.3.2000	10.38	120,000	-	-	-	120,000
	7.4.2001	2.34	120,000	-	-	-	120,000
							240,000
Wong Chin-wah	28.3.2000	10.38	120,000	-	-	-	120,000
	7.4.2001	2.34	120,000	-	-	-	120,000
	29.11.2003	1.59	200,000	-	-	-	200,000
							440,000
Tung Yiu-kwan, Stephen	28.3.2000	10.38	120,000	-	-	-	120,000
	7.4.2001	2.34	120,000	-	-	-	120,000
	29.11.2003	1.59	200,000	-	-	-	200,000
							440,000

### 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 30 September 2005, 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 <sup>1</sup> ("Sunco")	1,713,613,500	84.55
SHKP <sup>2</sup>	1,713,613,500	84.55
HSBC International Trustee Limited <sup>3</sup>	1,717,623,249	84.74

Notes:

1. Sunco is the beneficial owner of the 1,713,613,500 shares.
2. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the SFO.

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

Save as disclosed above, as at 30 September 2005, 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 30 September 2005, 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 four members comprising three Independent Non-Executive Directors, Professor Kao Kuen, Charles (Chairman), Professor Li On-kwok, Victor and Dr. Fong Ching, Eddy and one Non-Executive Director, Mr. Cheung Wing-yui, with terms of reference in compliance with the GEM Listing Rules. 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 three months ended 30 September 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board

**KWOK Ping-luen, Raymond**  
*Chairman*

Hong Kong, 4 November 2005

**SUNeVision Holdings Ltd.**

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