



SUNeVision Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

THIRD QUARTERLY REPORT FOR THE NINE MONTHS ENDED 31 MARCH 2001

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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 reported healthy quarter-on-quarter revenue growth of approximately 11% despite further consolidation of the industry.
- Operating efficiency has further improved
 - gross loss reduced by more than HK\$4 million or 50%
 - operating expenditures reduced by approximately HK\$7 million or 10%
- Loss from operations reduced compared with the previous quarter
- Strong cash position with HK\$2 billion and successful completion of major capital expenditure projects

	Current Quarter (Jan – Mar 2001) HK\$'M	Previous Quarter (Oct – Dec 2000) HK\$'M
Turnover <i>(11% quarter-on-quarter growth)</i>	<u>54.0</u>	<u>48.8</u>
Gross loss <i>- as % of turnover</i>	(3.9) <i>-7%</i>	(8.1) <i>-17%</i>
Operating expenditures * <i>- as % of turnover</i>	(62.5) <i>-116%</i>	(69.4) <i>-142%</i>
Other income	32.4	42.1
Result from operations	<u>(34.0)</u>	<u>(35.4)</u>

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

CHAIRMAN'S STATEMENT

Healthy double-digit revenue growth and improved financial performance

SUNeVision reported healthy revenue growth for the quarter ended 31 March 2001 despite further consolidation of the information technology industry. This quarter's 11% revenue growth, compared with the previous quarter, was achieved through the continued growth of our businesses. Our financial performance also improved in this quarter as a result of higher operating efficiency.

Continued to build on our leading position; MEGA-iAdvantage opened

During the reporting period, we continued to build on our leading position in Internet infrastructure and enabling services in Asia. iAdvantage's new data centre, MEGA-iAdvantage with 350,000 sq ft, began operation in February. Located in Chai Wan, MEGA's strength is in providing co-location facilities to carriers. MEGA's superior specifications have attracted quality customers and leasing has been strong from the start. At the time of writing, approximately 50% of MEGA has been signed up, with an additional 25% under final stage negotiation. Leasing of iAdvantage's other data centres in Hong Kong, Shanghai, Beijing and Singapore was promising. By offering first class customer service, iAdvantage continued to enjoy high customer retention. With the completion of MEGA-iAdvantage, iAdvantage's focus is now on attracting high quality customers and providing superior customer service. With first class facilities and excellent management, iAdvantage is positioned to continue to lead the market.

Our businesses achieved healthy growth and improved operating efficiency

SUNeVision remained focused on our core businesses and further strengthened our business units' leading positions in their industry sectors. All our operating units achieved healthy growth and launched new services during the reporting period. Super-Office established a strong anchor providing business solutions to the manufacturing sector; SuperHome continued to add new services to its community-based management service platform and rolled out its services to three additional MTRC-managed residential developments; and SuperStreets launched an online property evaluation service in partnership with DTZ Debenham Tie Leung, a leading property consultant. Following the success of an e-marketing programme with HSBC iCAN credit card, Red-Dots signed a two-year retainer contract, providing the bank with e-marketing support.

Prudent investment approach leaves us in strong cash position

Our investment approach has always been a prudent one and this approach is supported by a rigorous evaluation process. Our prudent approach and stringent evaluations resulted in fewer but more solid investments as well as more cash on hand for us now to continue to develop our businesses. With our strong cash position of HK\$2 billion and the successful completion of capital expenditure projects, we are in a favourable position to capture expansion opportunities and investments. SUNeVision will continue to explore business opportunities in Hong Kong, Greater China and the rest of the region through strategic alliances and partnerships.

Positive outlook with focus on revenue growth and tightly controlled capital and operating expenditures

The outlook remains positive for SUNeVision. We have maintained healthy growth despite the industry consolidation. Our focus is on revenue growth, and we will continue to tightly control our operating and capital expenditures. As iAdvantage's revenue increases, we expect our performance and our gross margin to further improve in the next quarter. We will continue to focus on our core businesses of Internet infrastructure and enabling services; these have proved to be essential services that are less affected by market forces. Our commitment to the development of our business operations will ensure that we will further strengthen our leading position. With an excellent management team and substantial experience in Hong Kong and the Greater China market, I am confident in SUNeVision's growth prospects.

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer
Hong Kong, 11 May 2001

MANAGING DIRECTOR'S REPORT

For the quarter ended 31 March 2001, I am pleased to report that we achieved healthy revenue growth of approximately 11% compared with the previous quarter. Our financial performance for this period also improved with a reduction of the gross loss.

During the reporting period we have focused on improving our operating efficiencies by aggressively managing our operating expenditures. The success of that effort is clearly demonstrated by a reduction of operating expenses by HK\$7 million. The impact is a reduction of gross loss by HK\$4 million. Together they translate into an improvement of HK\$11 million for the quarter.

Another area of focus is on revenue generation. During the reporting period, several new services were introduced; some already generating revenue ahead of plan. iAdvantage's biggest data centre, the 350,000 sq ft MEGA-iAdvantage, opened on schedule. In developing new services, we have two criteria. Our services must first add value to our customers and users. Second, they must help us generate sustainable revenue. As we continue to launch new products and raise the quality of our services, we will further strengthen our leading position in Internet infrastructure and enabling services in Asia.

Going forward SUNeVision will continue to exercise prudence in its financial management and continue to maximise operating efficiencies. We are closely monitoring our capital and operating expenditures to ensure resources are utilised to generate revenue in the most effective way, resulting in continued improvement of our financial performance.

Below is a detailed outline of our business operations:

Internet Infrastructure Provider

iAdvantage

The opening of the 350,000 sq ft MEGA-iAdvantage marks a new milestone for our Internet infrastructure business. At the end of March, 43% of the available space was already committed by quality customers. In the six weeks following the end of the quarter, leasing continued to be strong. The latest figures show that approximately 50% has been signed up and an additional 25% under final stage of negotiation. Clients include leading industry players such as AT&T, C2C, iAsiaWorks and 360networks.

Leasing remained strong for the other data centres with ONE-iAdvantage in Kwun Tong 100% leased and JUMBO-iAdvantage in Tsuen Wan 60% occupied. In Beijing, Shanghai and Singapore, iAdvantage attracted top clients such as Alibaba.com and the National Library Board of Singapore.

During the reporting period, iAdvantage has been able to acquire new customers and enjoy high customer retention by offering quality facilities and network services as well as first class customer service. Several value-added services were introduced such as iAdvantage's performance solutions, Internet content delivery solutions in collaboration with Mirror Image, and storage backup services with IBM.

Super e-Technology

Super e-Technology achieved encouraging results for the quarter. In March, a contract worth approximately HK\$10 million was signed for a security surveillance system to be installed in a residential development. In addition, it completed a network enhancement project to facilitate a Taiwan-based TV programme provider to deliver their programmes via the SMATV (Satellite Master Antenna Television) networks.

During the review period, Super e-Technology connected 4,600 households to the SMATV networks, bringing the total to about 60,000. Broadband capability had been made available to a total of 47,600 households.

Business Enabling Service

Super-Office

During the reporting period, Super-Office maintained steady revenue growth. The number of clients continued to grow with steady monthly contract value of HK\$5 million. At the end of the quarter, a total contract value of HK\$36 million had been secured since operations began in August last year. Efficiency in project delivery was substantially improved by more than 50% compared with the previous quarter.

Super-Office has built a strong anchor in the manufacturing and trading market segment by providing ERP (Enterprise Resource Planning) solutions and application integration services as well as delivering IT implementation projects to clients. Its commitment to maintaining best practices and quality delivery was recognised by being the first IT company to be awarded an ISO 9001: 2000 Certificate issued by the Hong Kong Quality Assurance Agency.

Consumer Enabling Service

SuperHome

Since its launch in April last year, SuperHome has already rolled out its services to a total of 38 residential estates in Hong Kong. Under an agreement with the MTRC (Mass Transit Railway Corporation) to provide an electronic management system and community websites to MTRC-managed residential developments, SuperHome further provided services to three additional residential estates – including Island Harbour View, Tung Chung Crescent and the Waterfront – bringing the total number to four.

To further expand its services, SuperHome introduced distance learning to its users by providing a platform for web-based course developers to offer online distance learning programmes.

SuperStreets

During the reporting period, PropertyStreet launched an online professional property valuation service in partnership with leading property consultant DTZ Debenham Tie Leung, and more than 100 valuations were made within the first month after launch.

SuperStreets' eMortgage service – *Mortgage Experts* – has become one of the largest of its kind in Hong Kong providing referral services for both first and re-mortgages. Since its launch in July last year, it has successfully facilitated HK\$900 million worth of mortgages. Participating banks include HSBC and Hang Seng Bank.

The number of registered users continued to grow as PropertyStreet added new services during the reporting period. At the end of March, it had a total of 145,000 members.

Red-Dots

Red-Dots continued to make significant progress in building e-marketing and e-commerce solutions for corporate clients. A two-year retainer contract was signed with HSBC providing e-marketing services for their iCAN credit card loyalty programme. Another e-marketing campaign – which included both online and offline promotions – was launched with well-known chewing gum *Wrigley's Extra*. In January, Red-Dots completed an e-business solution project in providing technical expertise for a client's electronic component transaction system.

Red-Dots further increased market penetration in the online auction business. At the end of the review period, Red-Dots had 120,000 registered users and 35,000 daily auction items with more than 290 merchants and 370 categories of goods on offer.

Investments

Venture Capital

During the reporting period, SUNeVision's venture capital group continued to pursue investments in companies which are synergistic with the company's operating businesses. In January, the venture capital group officially opened a new office in San Francisco, extending SUNeVision's global reach. The office provides SUNeVision direct access to the innovative technologies and companies in Silicon Valley which the venture capital team helps to bring to Asia. The group is in active discussions with several companies and expects to announce these investments in the near future. The team continues to work actively with each of its portfolio companies as well as SUNeVision's own operating units in evaluating leading-edge technologies and strategic growth opportunities.

YEN SHIAO HUA, SHERIDAN

Managing Director

Hong Kong, 11 May 2001

**RESULTS FOR THE PERIOD ENDED 31 MARCH 2001
(UNAUDITED)**

The Board of Directors (the “Board”) of SUNeVision Holdings Limited (the “Company” or “SUNeVision”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 31 March 2001 together with the comparative unaudited figures for the corresponding periods in 2000 as follows:

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Turnover	2	54,019	14,792	134,894	46,345
Cost of sales		(57,956)	(12,394)	(152,855)	(38,520)
Gross (loss)/ profit		(3,937)	2,398	(17,961)	7,825
Other income		32,415	59,950	126,172	66,421
Research & development expenses		28,478	62,348	108,211	74,246
Selling expenses		1,408	460	8,055	5,483
Administrative expenses		14,011	26,746	54,527	33,298
		47,100	23,911	139,290	32,088
(Loss)/Profit from operations		(34,041)	11,231	(93,661)	3,377
Finance charges		5,785	1,939	17,266	8,915
Share of result of an associate		1,973	-	4,933	-
(Loss)/Profit before taxation		(41,799)	9,292	(115,860)	(5,538)
Taxation	3	-	(537)	(371)	(1,808)
(Loss)/Profit after taxation		(41,799)	8,755	(116,231)	(7,346)
Minority interests		2,508	-	5,821	-
(Loss)/Profit attributable to shareholders		(39,291)	8,755	(110,410)	(7,346)
(Loss)/Earnings per share	4				
- Basic		(1.93 cents)	0.50 cents	(5.41cents)	(0.43 cents)
- Diluted		N/A	0.50 cents	N/A	N/A

Notes:

1. Group reorganization and the basis of preparation

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

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

2. Turnover

Turnover represents the aggregate of income from customers use of Internet services centre facilities, installation and maintenance fees of satellite master antenna television system, network and security systems, business enabling services, property rent and management income, advertising, Internet facilities and related 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 three months and nine months ended 31 March 2001. Hong Kong profits tax for the three months and nine months ended 31 March 2000 has been provided at the rate of 16% on the estimated assessable profits for the periods. PRC income tax has been provided at the applicable rates of taxation on the estimated assessable profits for the periods.

4. (Loss)/Earnings per share

The calculation of the Group's basic (loss)/earnings per share for the three months and nine months ended 31 March 2001 is based on the Group's unaudited (loss)/profit attributable to shareholders of approximately (HK\$39,291,000) and (HK\$110,410,000) (three months and nine months ended 31 March 2000: approximately HK\$8,755,000 and (HK\$7,346,000)) and the weighted average number of 2,039,336,283 and 2,042,346,292 (three months and nine months ended 31 March 2000: 1,748,387,000 and 1,716,129,000) shares respectively in issue during the respective periods. In determining the weighted average number of shares, 1,700,000,000 shares issued on the establishment of the Company and reorganization of the Group were deemed to have been issued since 1 July 1999.

No diluted loss per share has been presented for the three months ended 31 March 2001, nine months ended 31 March 2001 and 2000 as the exercise of the Company's outstanding share options and convertible note would result in a decrease in net loss per share.

The diluted earnings per share are the same as the basic earnings per share for the three months ended 31 March 2000.

The calculation of the Group's diluted earnings per share for the three months ended 31 March 2000 does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in an increase in net profit per share.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 March 2001 (2000: nil).

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2001, the interests of the directors and their associates in the securities of the Company and its associated corporations (“securities” and “associated corporations” as defined in the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”)) as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or which are required, pursuant to rules 5.40 to 5.49 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

1. Shares in SUNeVision

Name of Directors	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total No. of Shares
Kwok Ping Luen, Raymond	672,500	-	-	1,070,000 *	1,742,500
Kwok Ping Sheung, Walter	-	-	-	1,070,000 *	1,070,000
Kwok Ping Kwong, Thomas	-	-	-	1,070,000 *	1,070,000
Yen Shiao Hua, Sheridan	50,000	-	-	-	50,000
So Chung Keung, Alfred	416	543	-	-	959

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

2. Shares in Sun Hung Kai Properties Limited

Name of Directors	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total No. of Shares
Kwok Ping Luen, Raymond	-	1,000	-	1,074,985,895 *	1,074,986,895
Kwok Ping Sheung, Walter	-	-	-	1,073,792,522 *	1,073,792,522
Kwok Ping Kwong, Thomas	1,901,281	304,065	-	1,071,842,214 *	1,074,047,560
Chan Kui Yuen, Thomas	126,500	66,000	-	-	192,500
Wong Yick Kam, Michael	50,904	-	-	-	50,904
Leung Kui King, Donald	10,000	-	-	-	10,000
So Chung Keung, Alfred	189,985	6,500	-	-	196,485

* Note: These are deemed interests (by virtue of the SDI Ordinance) of Messrs. Raymond Kwok Ping Luen, Walter Kwok Ping Sheung and Thomas Kwok Ping Kwong. Of these shares in Sun Hung Kai Properties Limited (“SHKP”), 1,051,808,347 shares represent the same interests and are therefore duplicated amongst these three directors.

3. Shares in associated corporations

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

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

4. SUNeVision Share Options

The following directors were granted share options for nominal consideration to subscribe for shares in the Company, details of which are as follows:

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	Balance of options as at 31.3.2001
Kwok Ping Luen, Raymond	755,000	-	755,000
Kwok Ping Sheung, Walter	415,000	-	415,000
Kwok Ping Kwong, Thomas	415,000	-	415,000
Yen Shiao Hua, Sheridan	-	450,000	450,000
Chan Kui Yuen, Thomas	510,000	-	510,000
Wong Yick Kam, Michael	360,000	-	360,000
Leung Kui King, Donald	360,000	-	360,000
So Chung Keung, Alfred	360,000	-	360,000
Tung Chi Ho, Eric	360,000	-	360,000
Wong Chin Wah, Jimmy	360,000	-	360,000
Tung Yiu Kwan, Stephen	360,000	-	360,000
Frederick Hubert Chang	260,000	190,000	450,000

The options at the 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; and
- (iii) the remaining one third of the options within three years commencing on 31 December 2002.

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; and
- (iii) the remaining one third of the options within three years commencing on 15 November 2003

5. SHKP Share Options

Pursuant to the share option scheme of SHKP, the following directors of the Company were granted share options (“SHKP Options”) to subscribe for shares (“SHKP Shares”) in SHKP, details of which are as follows:

Name of Directors	Number of SHKP Options granted and balance at 31.3.2001
Chan Kui Yuen, Thomas	150,000
Wong Yick Kam, Michael	150,000
So Chung Keung, Alfred	120,000
Tung Chi Ho, Eric	120,000

All the above options were granted and accepted on 15 February 2000 for nominal consideration and the exercise prices of all these options are HK\$70 per SHKP Share.

The options can be exercised up to one third during the second year from the date of grant, up to two thirds during the third year from the date of grant, and in whole or in part any time three years after the date of grant.

6. Other Share Option Schemes

In addition to SUNeVision Share Option Scheme, the Group operates two more share option schemes which were approved for two subsidiaries of the Company, iAdvantage Limited and Sunevision Red-Dots Limited, allowing their respective boards of directors the right to grant to their full-time employees and executive directors options to subscribe for shares in these two companies, in each case in aggregate up to 10% of the issued capital of the respective companies from time to time. No such option shares were granted to any director of the Company during the nine months ended 31 March 2001.

Save as disclosed in sub-sections 1, 2 and 3 above, none of the directors and their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance as recorded in the register as at 31 March 2001 maintained under Section 29 of the SDI Ordinance or which are required, pursuant to rules 5.40 to 5.49 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed in sub-sections 4, 5 and 6 above, at no time during the nine months ended 31 March 2001 was the Company or its holding companies or subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the directors, or their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights.

COMPETING INTERESTS

Mr. Raymond Kwok Ping Luen, the Company's Chairman and Chief Executive Officer, is also the Chairman of SmarTone Telecommunications Holdings Limited ("SmarTone"), an associated company of the Company within the meaning of the SDI Ordinance. The business of SmarTone consists of Internet services, which may be in competition with a part of the business of the Group.

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

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

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2001, in addition to those interests as disclosed above in respect of the directors, according to the register of substantial shareholders required to be maintained under Section 16(1) of the SDI Ordinance, the Company had been notified of the following interests, being 10% or more in the issued share capital of the Company:

Name	Number of Shares	Approximate percentage of holding
Sunco Resources Limited ("Sunco")	1,713,613,500	84.17
SHKP (Note 1)	1,713,613,500	84.17
HSBC Holdings plc (Note 2)	1,717,240,763	84.34
HSBC Finance (Netherlands) (Note 2)	1,717,240,756	84.34
HSBC Holdings B.V. (Note 2)	1,717,240,756	84.34
HSBC Investment Bank Holdings B.V. (Note 2)	1,716,986,343	84.33
HSBC International Trustee Limited (Note 3)	1,716,986,343	84.33

Notes:

1. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 1,713,613,500 shares of the Company held by Sunco by virtue of the SDI Ordinance.
2. The shares in which HSBC International Trustee Limited was interested formed part of the shares in which HSBC Investment Bank Holdings B.V. was interested; the shares in which HSBC Investment Bank Holdings B.V. was interested formed part of the shares in which HSBC Holdings B.V. was interested; the shares in which HSBC Holdings B.V. was interested were the shares in which HSBC Finance (Netherlands) was interested and the shares in which HSBC Finance (Netherlands) was interested formed part of the shares in which HSBC Holdings plc was interested.
3. Of the SHKP shares in which HSBC International Trustee Limited was interested, 1,051,808,347 shares were part of the shares referred to in the Note to sub-section 2 of this section on "Directors' Interests in Securities".

MANAGEMENT SHAREHOLDERS

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

SPONSOR'S INTERESTS

As at 31 March 2001, directors and employees of Jardine Fleming Securities Limited (“Jardine Fleming”) were interested in 2,500 shares and 507 shares of the Company respectively. Save as disclosed herein, none of Jardine Fleming, its directors, employees or associates had any interest in the securities of the Company or any members of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any members of the Group.

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

AUDIT COMMITTEE

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

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

During the nine months ended 31 March 2001, the Company repurchased on the Stock Exchange a total of 8,998,000 ordinary shares of HK\$0.1 each in the share capital of the Company at an aggregate price of HK\$26,376,728.35 details of which are as follows:

Month of Repurchase	No. of Shares Repurchased	Price per Share		Aggregate Price Paid HK\$
		Highest HK\$	Lowest HK\$	
October 2000	1,988,500	4.100	3.90	7,970,713.00
November 2000	939,500	3.425	3.125	3,077,641.25
December 2000	1,480,000	3.250	2.650	4,363,774.10
January 2001	498,000	2.800	2.700	1,365,650.00
February 2001	866,000	2.800	2.650	2,360,262.50
March 2001	<u>3,226,000</u>	2.675	2.050	<u>7,238,687.50</u>
	<u>8,998,000</u>			<u>26,376,728.35</u>

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 March 2001.

By Order of the Board

KWOK PING LUEN, RAYMOND
Chairman & Chief Executive Officer

Hong Kong, 11 May 2001

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