

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 posted a net profit of HK\$20.3 million for the quarter ended 30 September 2004, as against HK\$14.4 million in the same period of the previous financial year.
- Turnover in the period under review was HK\$60.8 million, HK\$3.9 million higher than the first quarter of last financial year. The gross margin improved 4% to 36%.
- Operating expenditures continued to fall, reaching HK\$11.7 million compared to HK\$14.8 million in the first quarter last financial year.
- SUNeVision's financial position remained strong with approximately HK\$1.3 billion of cash and interest-bearing securities on hand.

	Jul to Sep 2004	Jul to Sep 2003
	HK\$'M	HK\$'M
Turnover	60.8	56.9
Gross profit	21.7	18.0
– as a % of turnover	36%	32%
Operating expenditures*	(11.7)	(14.8)
Other revenue	10.3	11.2
Profit from operations	20.3	14.4

* *Selling, general and administrative expenses*

CHAIRMAN'S STATEMENT

SUNeVision continued profitable as it began a new financial year, recording a net profit of HK\$20.3 million for the quarter ended 30 September 2004.

Turnover in the first quarter of the financial year 2004/05 was HK\$60.8 million, HK\$3.9 million higher than the first quarter of last financial year. Factors contributing to the increase included higher mortgage referral revenue from the Group's SuperStreets business unit, and higher one-time project 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 36%, largely as a result of the increase in revenue and continuous improvement in operations.

Operating expenditures continued to fall, dropping to HK\$11.7 million as against HK\$14.8 million in the first quarter of the previous financial year. Other revenue for the quarter was HK\$10.3 million, a slight decline from that for the first quarter of the previous financial year. Net profit for the quarter was HK\$20.3 million, compared to HK\$14.4 million in the same period in 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 quarter, iAdvantage continued to win quality customers including major financial institutions and global information technology service providers. Overall occupancy was approximately 62%. During the quarter, the Group's business units continued to deploy their offerings and trim costs.

In the year ahead, iAdvantage will continue to work hard to increase the occupancy of its data centres. Given continuing challenges in the information technology industry, the Group will maintain a prudent and conservative approach to ensure sustainable profitability. SUNeVision will strive to sustain full-year profitability so that the payment of dividend to shareholders may be considered at the end of the financial year.

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 and Chief Executive Officer

Hong Kong, 11 November 2004

MANAGING DIRECTOR'S REPORT

OVERVIEW

SUNeVision posted a net profit of HK\$20.3 million for the quarter that ended 30 September 2004, compared to HK\$14.4 million in the same period in the last financial year. The improvement resulted from higher mortgage referral revenue from SuperStreets, and higher one-time project revenues from the Group's data centre and last-mile connectivity businesses.

Turnover in the first quarter of 2004/05 was HK\$60.8 million, HK\$3.9 million higher than in the first quarter last year. Gross profit increased from HK\$18 million in the first quarter of last year to HK\$21.7 million, while gross margin increased to 36% for the same period. Operating expenditures dropped to HK\$11.7 million in the first quarter, as compared with HK\$14.8 million of the same period last year. Other revenue for the quarter under review was HK\$10.3 million.

Despite continuing improvements, SUNeVision will maintain its prudent and conservative approach given continuing challenges in the information technology industry. The Group remains financially strong with approximately HK\$1.3 billion in cash and interest-bearing securities on hand, and it will continue to push its business units to enhance revenue and trim costs.

DATA INFRASTRUCTURE

iAdvantage

New clients at iAdvantage included major financial institutions and noted global web service providers with stringent technical and service requirements. This shows the top quality of iAdvantage's data centres and service. Overall occupancy was approximately 62%.

Atos Origin became a tenant during the period under review and made a significant contribution to revenue. The firm is a global provider of business consulting and system integration services. In addition, a major Mainland telecommunications operator expanded its data centre space. iAdvantage continues to optimize its deployment of resources to ensure the highest-quality and most cost-effective service for its customers.

Super e-Technology

Super e-Technology has identified the digital video recorder market as an area with high growth potential as various estates upgrade their CCTV surveillance systems from traditional VCRs to digital. The company is also enabling its satellite master antenna

television systems to deliver a major pay TV operator's programming, and the number of its Super e-Shooter systems deployed has increased significantly.

Super e-Network

Super e-Network realized further growth by offering value-added services to broadband users as demand for broadband increased. Broadband service was launched in YOHO Town Phase 1 in September 2004, and it is expected that new broadband service in the near future will add to the company's revenue and net profit.

ENABLING SERVICES

SuperHome

SuperHome continued providing value-added products and services to its many residential users. Its Mid-Autumn Festival sale during the period was particularly popular.

SuperStreets

SuperStreets' mortgage referral business brought in steady income again this year. Mortgage referrals are expected to pick up in coming months as Hong Kong's property market improves.

Red-Dots

Red-Dots maintained its concentration on offering its customers quality services around its auction business. The company will keep bringing in new merchant partners and new businesses to ensure that its e-commerce site remains vibrant and attractive.

INVESTMENTS

Venture Capital

The venture capital group stayed with its prudent and conservative approach to investing during the period under review, and it will continue to evaluate investment opportunities carefully in the year ahead. SUNeVision has a strong financial position, and it will only commit funds where there are demonstrably attractive returns.

I would like to close by thanking SUNeVision's management team and staff for their dedication and commitment, and our shareholders for their trust and support.

Yen Shiao-hua, Sheridan

Managing Director

Hong Kong, 11 November 2004

QUARTERLY RESULTS

For the period ended 30 September 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 ended 30 September 2004 together with the comparative unaudited figures for the corresponding period in 2003 as follows:

	Notes	Three months ended 30 September	
		2004 HK\$'000	2003 HK\$'000
Turnover	2	60,785	56,861
Cost of sales		(39,088)	(38,903)
Gross profit		21,697	17,958
Other revenue		10,294	11,213
		31,991	29,171
Selling expenses		1,494	2,073
Administrative expenses		10,158	12,685
Profit from operations		20,339	14,413
Finance costs		2	6
Profit before taxation		20,337	14,407
Taxation	3	–	(15)
Profit attributable to shareholders		20,337	14,392
Earnings per share	4		
– Basic		1.00 cents	0.71 cents
– Diluted		N/A	0.71 cents

Notes:**1. Basis of preparation**

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

2. Turnover

Turnover represents the aggregate of income from Internet services centres and information technology facilities, installation and maintenance of satellite master antenna television system, 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

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no estimated assessable profit subject to Hong Kong Profits Tax for both periods.

No provision for the People's Republic of China (the "PRC") income tax has been made in the financial statements as the Group had no estimated assessable profit subject to PRC income tax for the current period.

Tax in other regions of the PRC for the three months ended 30 September 2003 was calculated at the rates prevailing in those jurisdictions.

4. Earnings per share

The calculation of the Group's basic earnings per share for the three months ended 30 September 2004 is based on the Group's unaudited profit attributable to shareholders of approximately HK\$20,337,000 (2003: approximately HK\$14,392,000) and the weighted average number of 2,026,197,500 (2003: 2,026,197,500) shares in issue 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.

The computation of diluted earnings per share for the three months ended 30 September 2003 is based on the Group's unaudited profit attributable to shareholders of approximately HK\$14,392,000 and the weighted average number of 2,026,712,999 shares, after adjusting for the effects of all dilutive potential ordinary shares during the period.

5. Reserves

	Three months ended 30 September					
	2004					2003
	Share premium HK\$'000	Exchange reserve HK\$'000	Property revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Total HK\$'000
At beginning of the period	3,868,367	288	6,233	(1,149,604)	2,725,284	2,678,522
Net profit for the period	–	–	–	20,337	20,337	14,392
At end of the period	3,868,367	288	6,233	(1,129,267)	2,745,621	2,692,914

DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2004 (2003: nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 September 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	Personal	Child under 18		Others	Equity derivatives		% of shares in issue
		or spouse			(share option)	Total	
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-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		Others	Equity derivatives		% of shares in issue
		or spouse	Corporate		(share option)	Total	
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	304,065	-	1,076,372,214 #	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-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

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 30 September 2004 with respect to their share options granted under the Old Scheme:

Name of director	Date of grant	Exercise price HK\$	Number of share options				Balance as at 30.9.2004
			Balance as at 1.7.2004	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Kwok Ping-luen, Raymond <i>(Chairman and Chief Executive Officer)</i>	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
So Chung-keung, Alfred	15.2.2000	70.00	120,000	-	-	-	120,000
	16.7.2001	70.00	60,000	-	-	-	<u>60,000</u>
							180,000
Tung Chi-ho, Eric	15.2.2000	70.00	120,000	-	-	-	120,000
	16.7.2001	70.00	60,000	-	-	-	<u>60,000</u>
							180,000
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 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:

- (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 2004 with respect to their Pre-IPO Share Options and SUNeVision Share Options:

Name of director	Date of grant	Exercise price HK\$	Number of share options				Balance as at 30.9.2004
			Balance as at 1.7.2004	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	
Kwok Ping-luen, Raymond (Chairman and Chief Executive Officer)	28.3.2000	10.38	503,333	-	-	-	503,333
	7.4.2001	2.34	350,000	-	-	-	350,000
Kwok Ping-sheung, Walter	28.3.2000	10.38	276,667	-	-	-	276,667
	7.4.2001	2.34	180,000	-	-	-	180,000
Kwok Ping-kwong, Thomas	28.3.2000	10.38	276,667	-	-	-	276,667
	7.4.2001	2.34	180,000	-	-	-	180,000
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	340,000	-	-	-	340,000
	7.4.2001	2.34	180,000	-	-	-	180,000
Wong Yick-kam, Michael	28.3.2000	10.38	240,000	-	-	-	240,000
	7.4.2001	2.34	180,000	-	-	-	180,000
Leung Kui-king, Donald	28.3.2000	10.38	240,000	-	-	-	240,000
	7.4.2001	2.34	180,000	-	-	-	180,000
So Chung-keung, Alfred	28.3.2000	10.38	240,000	-	-	-	240,000
	7.4.2001	2.34	180,000	-	-	-	180,000
	29.11.2003	1.59	200,000	-	-	-	200,000
Tung Chi-ho, Eric	28.3.2000	10.38	240,000	-	-	-	240,000
	7.4.2001	2.34	180,000	-	-	-	180,000
Wong Chin-wah	28.3.2000	10.38	240,000	-	-	-	240,000
	7.4.2001	2.34	180,000	-	-	-	180,000
	29.11.2003	1.59	200,000	-	-	-	200,000
Tung Yiu-kwan, Stephen	28.3.2000	10.38	240,000	-	-	-	240,000
	7.4.2001	2.34	180,000	-	-	-	180,000
	29.11.2003	1.59	200,000	-	-	-	200,000
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 30 September 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 ¹ ("Sunco")	1,713,613,500	84.57
SHKP ²	1,713,613,500	84.57
HSBC International Trustee Limited 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 30 September 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 30 September 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 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 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 three months ended 30 September 2004, 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 & Chief Executive Officer

Hong Kong, 11 November 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

SUNeVision Holdings Ltd.

MEGATOP, Mega-iAdvantage
399 Chai Wan Road
Chai Wan, Hong Kong

新意網集團有限公司
香港柴灣柴灣道399號
MEGATOP, Mega-iAdvantage

www.sunevision.com