

**SUNeVISION HOLDINGS LTD :
MANAGEMENT BUYS ITS SHARES AS THEY FALL LOWER**

SUNeVision Holdings Ltd (Code: 8008, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd) has, quietly but determinedly, been repurchasing its own shares from the trading floor, between October 2000 and June 20, 2001.

But it is very clear that Management's determination to mop up its own shares has done nothing to support the share price – which may, or may not, have been the object of the exercise.

According to www.tolfin.com (TARGET's Computerised On-Line Database), SUNeVision has spent at least \$HK31 million in repurchasing about 11.40 million shares.

But the Kwok Family, the controlling shareholders of SUNeVision, via Sun Hung Kai Properties Ltd (Code: 16, Main Board, The Stock Exchange of Hongkong Ltd), has been chasing the share price of The GEM-listed company down, down, down.

TOLFIN indicates that, back in October 2000, SUNeVision paid a high of \$HK4.10 per SUNeVision share, but, on June 20 (last Wednesday), SUNeVision paid \$HK1.76 per share, on average.

That represents a drop of about 57 percent in that 8-month period.

No doubt, the SUNeVision shares, repurchased by Management, will be cancelled, in accordance with the usual custom.

Management of SUNeVision makes the claim that, by repurchasing its own shares, it is '*enhancing the net asset and earnings per share of the Company.*'

This may be considered an interesting Management proposition – because the total number of shares, Issued and Fully Paid, amounted 2,045,000,000, as at June 30, 2000.

The share repurchases, therefore, amounted to about 0.56 percent of the Issued and Fully Paid-Up Share Capital of the Company, which claims to specialise in the operation of Internet services.

SUNeVision went public on The GEM on March 17, 2000 when it raised about \$HK3.38 billion by Offering and Placing 345 million, 10-cent shares at \$HK10.38 per share.

On the basis of the Public Offer price, therefore, investors, who opted to invest in SUNeVision shares in March 2000, assuming that they are still holding these shares, are staring at a loss of about 83 percent on their investment.

In terms of the 345 million shares that were Offered and Placed in March 2000, Management of SUNeVision has repurchased about 3.30 percent of that figure.

Sell shares for \$HK10.38 per share and, then, repurchase those shares at between \$HK4.10 per share and \$HK1.76 per share.

In SUNeVision's first Annual Report, covering the period to June 30, 2000, the Company reported a loss of about \$HK74.87 million on a ... [CLICK TO ORDER FULL ARTICLE](#)

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