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**SUNEVISION HOLDINGS LTD.**

**新意網集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1686)**

## **CONNECTED TRANSACTION**

### **PROJECT MANAGEMENT AGREEMENT**

On 16 May 2018, iAdvantage, a wholly-owned subsidiary of the Company, entered into the Project Management Agreement with SHK Real Estate in relation to the appointment of SHK Real Estate as the project manager of the Projects.

As at the date of this announcement, SHK Real Estate is a wholly-owned subsidiary of SHKP, which in turn is the controlling Shareholder. Accordingly, SHK Real Estate is an associate of SHKP and a connected person of the Company under the Listing Rules. The entering into of the Project Management Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the consideration payable by iAdvantage under the Project Management Agreement exceeds HK\$3,000,000 and one of the applicable percentage ratios for the transactions contemplated under the Project Management Agreement calculated pursuant to Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the Project Management Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE PROJECT MANAGEMENT AGREEMENT**

### **Date**

16 May 2018

### **The Parties**

- (a) iAdvantage; and
- (b) SHK Real Estate as project manager.

SHK Real Estate is a wholly-owned subsidiary of SHKP, which in turn is the controlling Shareholder. Accordingly, SHK Real Estate is an associate of SHKP and a connected person of the Company under the Listing Rules.

### **Subject Matter**

Pursuant to the Project Management Agreement, iAdvantage appointed SHK Real Estate as the project manager of the Projects to generally manage, supervise and control the Projects on the terms of the Project Management Agreement.

### **Term**

SHK Real Estate's term of appointment as project manager of the Projects shall commence on the date of the Project Management Agreement and shall expire, unless prematurely terminated pursuant to the terms therein, on (a) the date of expiry of the latest defects liability period under contracts entered into in respect of the Projects or (b) the date of issuance of the architect's final certificate in respect of the Projects, whichever is the later.

If either party is in breach of any material obligation under the Project Management Agreement and such breach continues for 60 days after written notice from the non-defaulting party requiring such breach to be remedied or such breach is incapable of remedy, the non-defaulting party may terminate SHK Real Estate's appointment as project manager of the Projects by immediate written notice to the party in breach at any time after the 60 days' period so long as such breach is continuing or, if such breach is incapable of remedy, by immediate notice to the party in breach at any time.

### **Consideration**

iAdvantage shall pay to SHK Real Estate a project management fee in an aggregate sum of HK\$11,000,000 (comprising HK\$7,000,000 for the Tsuen Wan Project and HK\$4,000,000 for the Chai Wan Project), which shall be paid in the following manner:-

The Tsuen Wan Project:-

- (a) the first payment in the sum of HK\$700,000 upon completion of the inception phase of the Tsuen Wan Project;
- (b) the second payment in the sum of HK\$700,000 upon completion of the feasibility phase of the Tsuen Wan Project;
- (c) the third payment in the sum of HK\$1,400,000 upon completion of the pre-construction phase of the Tsuen Wan Project;
- (d) the fourth payment in the sum of HK\$2,800,000 upon completion of the construction phase of the Tsuen Wan Project; and
- (e) the final payment in the sum of HK\$1,400,000 upon completion of the completion phase of the Tsuen Wan Project.

The Chai Wan Project:-

- (a) the first payment in the sum of HK\$2,000,000 upon completion of the construction phase of the Chai Wan Project; and
- (b) the final payment in the sum of HK\$2,000,000 upon completion of the completion phase of the Chai Wan Project.

If SHK Real Estate's appointment as project manager under the Project Management Agreement is prematurely terminated due to the default of iAdvantage, the entire balance of the project management fee then outstanding shall be due and payable within 7 working days of such termination; and if such premature termination is due to the default of SHK Real Estate, any instalment of the project management fee with a due date before such termination which is unpaid upon such termination shall be paid to SHK Real Estate within 7 working days of such termination but no further instalment of the project management fee shall be due and payable by iAdvantage to SHK Real Estate.

The consideration payable under the Project Management Agreement will be paid in cash and be funded by the Group's internal resources.

The terms of, and the consideration payable under, the Project Management Agreement were arrived at after arm's length negotiations between iAdvantage and SHK Real Estate, and are on normal commercial terms which, from the Group's perspective, are no less favourable to the Group than those which the Group could obtain from independent third party providers of comparable project management services in the market. The consideration payable to SHK Real Estate was determined after taking into consideration of the technical requirements of the Projects, the experience of SHK Real Estate and the scope of services to be provided by them, and the duration of the Projects.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PROJECT MANAGEMENT AGREEMENT**

The Projects, which are substantial investments of the Group, require technical expertise in the areas of construction, mechanical and electrical engineering, as well as information and communications technologies. To ensure the proper coordination and implementation of these areas, there is a need to recruit professional service providers to oversee the Projects and provide advice to the Group, in particular on the construction of the building(s) under the Tsuen Wan Project and the revitalization of MEGA-iAdvantage under the Chai Wan Project respectively, which the Group does not have in-house expertise. The principal activities of the SHKP Group are the development of and investment in properties for sale and rent, hotel operation, telecommunications, transport infrastructure and logistics. The SHKP Group has substantial experience, competent expertise and a proven track record in the real estate market. It is in the interests of the Group to leverage on the expertise of the SHKP Group and appoint SHK Real Estate as the project manager to manage, supervise and control the Projects in accordance with the terms of the Project Management Agreement.

The Board (including all independent non-executive Directors) considers that the Project Management Agreement and the transactions contemplated thereunder are on normal commercial terms, and that while the entering into of the Project Management Agreement may not be in the ordinary and usual course of business of the Group, its terms are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SHK Real Estate is a wholly-owned subsidiary of SHKP, which in turn is the controlling Shareholder. Accordingly, SHK Real Estate is an associate of SHKP and a connected person of the Company under the Listing Rules. The entering into of the Project Management Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the consideration payable by iAdvantage under the Project Management Agreement exceeds HK\$3,000,000 and one of the applicable percentage ratios for the transactions contemplated under the Project Management Agreement calculated pursuant to Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the Project Management Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Messrs. KWOK Ping-luen, Raymond, FUNG Yuk-lun, Allen, TUNG Chi-ho, Eric and KWOK Kai-wang, Christopher are directors of both the Company and SHKP, they are regarded as materially interested in the Project Management Agreement and the transactions contemplated thereunder, and they had therefore abstained from voting on the board resolutions of the Company to approve the Project Management Agreement and the transactions contemplated thereunder. As Mr. CHEUNG Wing-yui is a consultant of the solicitors firm which has provided professional services to the Company in relation to the Project Management Agreement, he had also abstained from voting on the board resolutions of the Company to approve the Project Management Agreement to avoid potential conflicts of interests. Likewise, as Messrs. David Norman PRINCE and CHAN Hong-ki, Robert held certain posts in relevant subsidiaries of SHKP, they had also abstained from voting on the board resolutions of the Company to approve the Project Management Agreement to avoid potential conflicts of interests.

## **GENERAL INFORMATION**

The principal activities of the Group are the provision of data centre, facilities management and value-added services, installation and maintenance services and the renting of investment properties.

The principal activities of SHK Real Estate are the provision of general management and agency services.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:-

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Chai Wan Project”	the revitalization of MEGA-iAdvantage located at 399 Chai Wan Road and 1 Sun Yip Street, Chai Wan, Hong Kong and registered in the Land Registry as Chai Wan Inland Lot No. 30

“Company”	SUNeVision Holdings Ltd. 新意網集團有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1686)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“iAdvantage”	iAdvantage Limited 互聯優勢有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Projects”	the Tsuen Wan Project and the Chai Wan Project collectively
“Project Management Agreement”	the project management agreement dated 16 May 2018 entered into between iAdvantage and SHK Real Estate which sets out the terms of, inter alia, the appointment of SHK Real Estate as project manager of the Projects by iAdvantage
“Shareholder(s)”	the holders of ordinary shares of HK\$0.10 each in the capital of the Company
“SHKP”	Sun Hung Kai Properties Limited 新鴻基地產發展有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 16), which is a controlling Shareholder
“SHKP Group”	SHKP and its subsidiaries and associates from time to time, but excluding the Group

“SHK Real Estate”	Sun Hung Kai Real Estate Agency Limited 新鴻基地產代理有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tsuen Wan Project”	the development comprising a high grade industrial building to be constructed on a piece of land located at Ma Kok Street, Tsuen Wan, New Territories, Hong Kong and registered in the Land Registry as Tsuen Wan Town Lot No. 428; and
“%”	per cent

By Order of the Board  
**SUNEVISION HOLDINGS LTD.**  
**Lee Kok-ming**  
*Company Secretary*

Hong Kong, 16 May 2018

*As at the date of this announcement, the Board comprises three Executive Directors, being KWOK Ping-luen, Raymond, FUNG Yuk-lun, Allen and TUNG Chi-ho, Eric; five Non-Executive Directors, being CHEUNG Wing-yui, KWOK Kai-wang, Christopher, David Norman PRINCE, SIU Hon-wah, Thomas and CHAN Hong-ki, Robert; and five Independent Non-Executive Directors, being LI On-kwok, Victor, KING Yeo-chi, Ambrose, WONG Kai-man, KWOK Kwok-chuen and LEE Wai-kyong, Sunny.*