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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 TRANSACTIONS

**CONTRACTS IN RELATION TO
A&A AND SECURITY SYSTEM WORKS ON
VARIOUS PARTS OF MEGA-IADVANTAGE
FOR ITS REVITALIZATION**

The Board is pleased to announce that, on 23 May 2018, iAdvantage, a wholly-owned subsidiary of the Company, entered into (i) the Sanfield A&A Works Contract with Sanfield, pursuant to which Sanfield has agreed to carry out, be responsible for and complete the Sanfield A&A Works for the Project at the Sanfield Contract Sum of HK\$59,070,000; and (ii) the Lik On Security System Works Contract with Lik On, pursuant to which Lik On has agreed to carry out, be responsible for and complete the Lik On Security System Works for the Project at the Lik On Contract Sum of HK\$20,160,000.

As at the date of this announcement, Sanfield and Lik On are both wholly-owned subsidiaries of SHKP, which in turn is the controlling Shareholder. Accordingly, Sanfield and Lik On are associates of SHKP and connected persons of the Company under Chapter 14A of the Listing Rules.

As the Sanfield A&A Works Contract and the Lik On Security System Works Contract are entered into by the Group with parties who are connected with one another within a 12-month period and in respect of the same Project, the transactions contemplated under the Sanfield A&A Works Contract and the Lik On Security System Works Contract are aggregated and treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. As all of the applicable percentage ratios in respect of the transactions contemplated under the Works Contracts as aggregated are more than 0.1% but less than 5%, the transactions contemplated under the Works Contracts as aggregated constitute connected transactions of the Company which are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SANFIELD A&A WORKS CONTRACT

On 23 May 2018, iAdvantage entered into the Sanfield A&A Works Contract with Sanfield, pursuant to which Sanfield has agreed to carry out, be responsible for and complete the Sanfield A&A Works for the Project. Principal terms of the Sanfield A&A Works Contract are summarized as follows:-

- Date** : 23 May 2018
- Parties** : (1) iAdvantage (as the employer); and
(2) Sanfield (as the main contractor).
- Subject matter** : Sanfield has agreed to carry out, be responsible for, and complete the Sanfield A&A Works for the Project on the terms of the Sanfield A&A Works Contract.
- Sanfield Contract Sum** : HK\$59,070,000, being the total contract sum payable by iAdvantage to Sanfield pursuant to the Sanfield A&A Works Contract, which includes contingency fees of up to 5% of the main contract sum of the Sanfield A&A Works Contract in the amount of HK\$56,257,143 (i.e. HK\$2,812,857) intended to provide for additional works or variations which may actually be performed. The final amount of the Sanfield Contract Sum will depend on the confirmation of final technical specification and quantity, but the said amount will in any event not exceed HK\$59,070,000. The Sanfield Contract Sum will not be adjusted for any variation in the cost of freight, landing charges, storage, insurance, labour or materials or currency fluctuations.

Sanfield was selected by iAdvantage through a tender process. The Sanfield Contract Sum was determined after arm's length negotiations with Sanfield and was based on normal commercial terms with reference to the expertise, experience and market position of Sanfield, and the complexity, design, quality and quantity of the Sanfield A&A Works.

The Sanfield Contract Sum will be paid in cash and be funded by the Group's internal resources.

- Payment terms** : iAdvantage will make progress payments to Sanfield based on estimated value of the Sanfield A&A Works properly executed and of the materials and goods delivered to or adjacent to the Sanfield A&A Works for use thereon in accordance with the architect certificates with the relevant amounts stated (subject to the right on the part of iAdvantage to retain a certain sum therefrom which will not in general exceed 10% and the maximum aggregate amount of such retention shall not in general exceed 5% of the total Sanfield Contract Sum) to be issued monthly by the independent architect. Upon Sanfield's presentation of the architect certificates to iAdvantage, iAdvantage will verify and settle the relevant amounts within 45 days thereafter. One moiety of the total amounts retained as aforementioned shall be paid to Sanfield within 45 days after Sanfield's presentation to iAdvantage of the certificate of practical completion issued by the architect, while the remaining retention amount shall be paid to Sanfield within 45 days after the expiration of the defects liability period, or the issue of the certificate of completion of making good defects, or the approval has been given by the architect for all specified guarantees and warranties required to be submitted by Sanfield or the nominated sub-contractors or suppliers, whichever is the later.
- Expected date of commencement and completion of the Sanfield A&A Works** : The date of commencement of the Sanfield A&A Works will be a day within 7 days from and including the date of the architect's written notification, which is expected to be in May 2018. The Sanfield A&A Works are agreed to be completed within 180 calendar days from and including the date of commencement. If any additional works or variations are required to be executed, the construction period may be extended.
- Guarantee from parent company** : Within 6 weeks from the date of commencement, Sanfield will provide or cause the provision of a parent company guarantee from SHKP to iAdvantage for the due performance of Sanfield's obligations under the Sanfield A&A Works Contract, failing which iAdvantage will be entitled to withhold any money payable to Sanfield under the Sanfield A&A Works Contract up to an amount equivalent to 10% of the main contract sum of the Sanfield A&A Works Contract until such guarantee is provided.

THE LIK ON SECURITY SYSTEM WORKS CONTRACT

On 23 May 2018, iAdvantage entered into the Lik On Security System Works Contract with Lik On, pursuant to which Lik On has agreed to carry out, be responsible for and complete the Lik On Security System Works for the Project. Principal terms of the Lik On Security System Works Contract are summarized as follows:-

- Date** : 23 May 2018
- Parties** : (1) iAdvantage (as the employer); and
(2) Lik On (as the main contractor).
- Subject matter** : Lik On has agreed to carry out, be responsible for, and complete the Lik On Security System Works for the Project on the terms of the Lik On Security System Works Contract.

Lik On Contract Sum : HK\$20,160,000, being the total contract sum payable by iAdvantage to Lik On pursuant to the Lik On Security System Works Contract, which includes contingency fees of up to 5% of the main contract sum of the Lik On Security System Works Contract in the amount of HK\$19,200,000 (i.e. HK\$960,000) intended to provide for additional works or variations which may actually be performed. The final amount of the Lik On Contract Sum will depend on the confirmation of final technical specification and quantity, but the said amount will in any event not exceed HK\$20,160,000. No adjustment or claim to the Lik On Contract Sum will be made due to change of labour, material costs, exchange rates of currencies, ignorance of site conditions, etc.

Lik On was selected by iAdvantage through a request for quotation process. The Lik On Contract Sum was determined after arm's length negotiations with Lik On and was based on normal commercial terms with reference to the expertise, experience and market position of Lik On, and the complexity, design, quality and quantity of the Lik On Security System Works.

The Lik On Contract Sum will be paid in cash and be funded by the Group's internal resources.

Payment terms : iAdvantage will make progress payments to Lik On based on project manager certificates (subject to the right on the part of iAdvantage to retain 5% of the Lik On Contract Sum). The total amounts retained as aforementioned will be paid to Lik On upon the expiry of the 12-month defects liability period.

Surety bond A surety bond in the amount equivalent to 10% of the Lik On Contract Sum will be given in favour of iAdvantage in relation to the obligations of Lik On under the Lik On Security System Works Contract.

The date of commencement of the Lik On Security System Works is expected to be in May 2018. The Lik On Security System Works is expected to be completed within 360 calendar days from and including the date of commencement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE WORKS CONTRACTS

The Building is firmly established as one of the most highly regarded data centres in the region. The Project aims to further optimise the Building, by enhancing its power capacity and density, connectivity as well as security systems in meeting the increasing demand from new and existing customers.

The Sanfield A&A Works and Lik On Security System Works, which form part of the whole revitalization work under the Project, require technical expertise in the areas of construction, mechanical and electrical engineering, as well as information and communications technology. 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 property development and construction. The principal activities of Sanfield and Lik On are building construction, and the supply and installation of security systems and equipment respectively, and each of them has substantial experience, competent expertise and a proven track record in their respective areas of work. It is therefore in the interest of the Group to leverage on the expertise of the SHKP Group, Sanfield and Lik On, and to appoint Sanfield and Lik On to carry out, be responsible for and complete the Sanfield A&A Works and the Lik On Security System Works respectively for the Project.

The Board (including all independent non-executive Directors) considers that the Works Contracts and the transactions contemplated thereunder are on normal commercial terms and that while the entering into of the Works Contracts may not be in the ordinary and usual course of business of the Group, their 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, Sanfield and Lik On are both wholly-owned subsidiaries of SHKP, which in turn is the controlling Shareholder. Accordingly, Sanfield and Lik On are associates of SHKP and connected persons of the Company under Chapter 14A of the Listing Rules.

As the Sanfield A&A Works Contract and the Lik On Security System Works Contract are entered into by the Group with parties who are connected with one another within a 12-month period and in respect of the same Project, the transactions contemplated under the Sanfield A&A Works Contract and the Lik On Security System Works Contract are aggregated and treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. As all of the applicable percentage ratios in respect of the transactions contemplated under the Works Contracts as aggregated are more than 0.1% but less than 5%, the transactions contemplated under the Works Contracts as aggregated constitute connected transactions of the Company which are subject to the reporting and announcement requirements but 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 Works Contracts and the transactions contemplated thereunder, and they had therefore abstained from voting on the board resolutions of the Company to approve the Works Contracts 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 Works Contracts, he had also abstained from voting on the board resolutions of the Company to approve the Works Contracts 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 Works Contracts 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 activity of Sanfield is building construction.

The principal activity of Lik On is the supply and installation of security systems and equipment.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Building”	MEGA-iAdvantage, 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
“Lik On”	Lik On Security Limited 力安護衛有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“Lik On Contract Sum”	HK\$20,160,000, being the total contract sum payable by iAdvantage to Lik On pursuant to the Lik On Security System Works Contract
“Lik On Security System Works”	security systems enhancement works which form part of the Project, including (i) CCTV enhancement works at all floors of the Building; and (ii) the installation and completion of extra low voltage CCTV system, intercom system, access control system and security alarm system, the IT network required for such systems and other items required to ensure a complete functional and reliable installation of such systems

“Lik On Security System Works Contract”	the contract dated 23 May 2018 entered into between iAdvantage and Lik On in relation to the Lik On Security System Works for the Project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Project”	the revitalization of the Building by enhancing its power capacity and density, connectivity as well as security systems (including CCTV enhancement works at all floors of the Building)
“Sanfield”	Sanfield Engineering Construction Limited 新輝城建设工程有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“Sanfield A&A Works”	A&A (i.e. addition and alteration) builder’s works, fitting out works and building services installation at the ground floor to the fourth floor of the Building which form part of the Project, including but not limited to (i) provision of plinths, structural bases and the like for the MEP (i.e. mechanical, electrical and plumbing) installation; (ii) fireproofing and/or waterproofing to floor, wall and beam penetrations; (iii) setting in sleeves, anchor bolts, fixing brackets, etc. in the concrete works; (iv) provision of all necessary holes, chases, recesses, etc. in the concrete works; (v) patching and filling the chasing; and (vi) coordination of the various nominated sub-contracting works that will be tendered out separately
“Sanfield A&A Works Contract”	the contract dated 23 May 2018 entered into between iAdvantage and Sanfield in relation to the Sanfield A&A Works for the Project
“Sanfield Contract Sum”	HK\$59,070,000, being the total contract sum payable by iAdvantage to Sanfield pursuant to the Sanfield A&A Works Contract

“Shareholder(s)”	the holder(s) of ordinary share(s) 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Works Contracts”	the Sanfield A&A Works Contract and the Lik On Security System Works Contract
“%”	per cent

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

Hong Kong, 23 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-kwong, Sunny.