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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)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO
(1) THE PROPOSED ACQUISITION OF A PROPERTY HOLDING COMPANY
AND
(2) THE PROPOSED DISPOSALS OF
TWO INDIRECT WHOLLY-OWNED PROPERTIES HOLDING SUBSIDIARIES**

Financial adviser to the Company

ANGLO CHINESE 英
CORPORATE FINANCE, LIMITED 高

SUMMARY

The Transactions comprise (i) the acquisition by the Group from the SHKP Group of an entire industrial building in Fo Tan, Shatin, New Territories, Hong Kong, the majority part of which is currently leased to and operated by the Group as a data centre, known as MEGA Two; and (ii) the disposals by the Group to the SHKP Group of certain units in Standard Chartered Tower, Millennium City 1, Kwun Tong, Kowloon, Hong Kong and in Kodak House II in North Point, Hong Kong respectively.

THE ACQUISITION

On 9 September 2019, the BI Acquisition Purchaser, an indirect wholly-owned subsidiary of the Company, as purchaser, entered into the BI Acquisition Agreement with the BI Acquisition Vendor, pursuant to which the BI Acquisition Purchaser conditionally agreed to purchase, and the BI Acquisition Vendor conditionally agreed to sell and procure to sell, the BI Sale Shares and the BI Sale Loan at the BI Consideration of approximately HK\$2,215,390,000 (subject to adjustment).

Under the BI Acquisition, the Group will acquire from the SHKP Group the BI Acquisition Company which holds the BI Property, comprising an entire industrial building in Fo Tan, Shatin, New Territories, Hong Kong.

THE DISPOSALS

On 9 September 2019, (i) the RD Disposal Vendor, an indirect wholly-owned subsidiary of the Company, as vendor, entered into the RD Disposal Agreement with the RD Disposal Purchaser, pursuant to which the RD Disposal Vendor conditionally agreed to sell and procure to sell, and the RD Disposal Purchaser conditionally agreed to purchase, the RD Sale Share and the RD Sale Loan at the RD Consideration of approximately HK\$1,051,514,000 (subject to adjustment); and (ii) the MI Disposal Vendor, a direct wholly-owned subsidiary of the Company, as vendor, entered into the MI Disposal Agreement with the MI Disposal Purchaser, pursuant to which the MI Disposal Vendor conditionally agreed to sell and procure to sell, and the MI Disposal Purchaser conditionally agreed to purchase, the MI Sale Shares and the MI Sale Loan at the MI Consideration of approximately HK\$755,494,000 (subject to adjustment).

Under the RD Disposal, the Group will dispose of to the SHKP Group the RD Disposal Company which holds the RD Properties, comprising certain office units of Standard Chartered Tower, Millennium City 1 in Kwun Tong, Kowloon, Hong Kong.

Under the MI Disposal, the Group will dispose of to the SHKP Group the MI Disposal Company which through Splendid Sharp holds the MI Properties, comprising a number of workshops and storerooms of Kodak House II in North Point, Hong Kong.

Upon the RD Completion and the MI Completion, the Group will dispose of all of its equity interests in the RD Disposal Company and the MI Disposal Company respectively, and the RD Disposal Company and the MI Disposal Company will cease to be the subsidiaries of the Group. Accordingly, their financial statements will no longer be consolidated into the Group's financial statements.

COMPLETION OF THE AGREEMENTS SUBJECT TO CONDITIONS

The Agreements were negotiated together and have been entered into on the same date. The Agreements are inter-conditional upon each other and, subject to the fulfillment (or waiver if applicable) of their respective conditions precedent, the completion of the Agreements shall take place simultaneously.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the BI Acquisition Vendor, the RD Disposal Purchaser and the MI Disposal Purchaser are indirect wholly-owned subsidiaries of SHKP, which in turn is the controlling shareholder of the Company. Accordingly, the BI Acquisition Vendor, the RD Disposal Purchaser and the MI Disposal Purchaser are associates of SHKP and connected persons of the Company, and therefore the entering into of each of the Transactions constitutes a connected transaction of the Company.

Since the Agreements are inter-conditional and will be completed simultaneously, they are regarded as one transaction involving both an acquisition and a disposal under Rule 14.24 of the Listing Rules, and the transactions under the Agreements are classified by reference to the larger of the acquisition or the disposal. As one or more of the applicable percentage ratios in respect of the BI Acquisition as well as in respect of the Disposals (in aggregate) is greater than 5% but all are less than 25%, each of the Transactions constitutes (i) a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

GENERAL

An EGM will be convened by the Company for the purposes of considering and, if thought fit, approving the Agreements and the transactions contemplated thereunder. As at the date of this announcement, SHKP (through its associates) is interested in approximately 73.9% of the issued shares of the Company. As certain wholly-owned subsidiaries of SHKP have a material interest in the Transactions, the associates of SHKP which hold shares in the Company are required to abstain from voting on the relevant resolutions at the EGM. To the best of the Directors' knowledge, none of the other Shareholders is materially interested in the Transactions and required to abstain from voting on the relevant resolutions at the EGM.

An Independent Board Committee has been established to advise the Independent Shareholders on whether the terms of each of the Agreements and the transactions contemplated thereunder are fair and reasonable, whether the entering into of each of the Agreements is in the interests of the Company and the Shareholders as a whole, and how to vote at the EGM in respect of the entering into of each of the Agreements. Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, (i) further details on the Agreements and the Transactions; (ii) a letter from the Independent Board Committee containing its advice and recommendations in respect of the Agreements and the Transactions; (iii) a letter from Somerley containing its advice and recommendations in respect of the Agreements and the Transactions; (iv) other information as required by the Listing Rules; and (v) a notice convening the EGM is expected to be despatched to the Shareholders on or before 11 October 2019, as additional time is required to compile the information for inclusion in the circular.

Completion of the BI Acquisition Agreement, the RD Disposal Agreement and the MI Disposal Agreement are subject to the fulfillment (or waiver if applicable) of the respective conditions precedent thereto, and accordingly the Transactions may or may not eventually be implemented. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Company is pleased to announce that, on 9 September 2019:

- (i) the BI Acquisition Purchaser, an indirect wholly-owned subsidiary of the Company, as purchaser, entered into the BI Acquisition Agreement with the BI Acquisition Vendor, pursuant to which the BI Acquisition Purchaser conditionally agreed to purchase, and the BI Acquisition Vendor conditionally agreed to sell and procure to sell, the BI Sale Shares and the BI Sale Loan at the BI Consideration of approximately HK\$2,215,390,000;
- (ii) the RD Disposal Vendor, an indirect wholly-owned subsidiary of the Company, as vendor, entered into the RD Disposal Agreement with the RD Disposal Purchaser, pursuant to which the RD Disposal Vendor conditionally agreed to sell and procure to sell, and the RD Disposal Purchaser conditionally agreed to purchase, the RD Sale Share and the RD Sale Loan at the RD Consideration of approximately HK\$1,051,514,000; and
- (iii) the MI Disposal Vendor, a direct wholly-owned subsidiary of the Company, as vendor, entered into the MI Disposal Agreement with the MI Disposal Purchaser, pursuant to which the MI Disposal Vendor conditionally agreed to sell and procure to sell, and the MI Disposal Purchaser conditionally agreed to purchase, the MI Sale Shares and the MI Sale Loan at the MI Consideration of approximately HK\$755,494,000.

The above Transactions comprise (i) the acquisition by the Group from the SHKP Group of an entire industrial building in Fo Tan, Shatin, New Territories, Hong Kong, the majority part of which is currently leased to and operated by the Group as a data centre, known as MEGA Two; and (ii) the disposals by the Group to the SHKP Group of certain units in Standard Chartered Tower, Millennium City 1, Kwun Tong, Kowloon, Hong Kong and in Kodak House II in North Point, Hong Kong respectively.

The Agreements were negotiated together and have been entered into on the same date. The Agreements are inter-conditional upon each other and, subject to the fulfillment (or waiver if applicable) of their respective conditions precedent, the completion of the Agreements shall take place simultaneously.

THE ACQUISITION

The BI Acquisition Agreement

The principal terms of the BI Acquisition Agreement are set out below:

Date

9 September 2019

Parties

- (i) the BI Acquisition Purchaser, as the purchaser; and
- (ii) the BI Acquisition Vendor, as the vendor

Assets to be acquired

- (i) the BI Sale Shares representing the entire issued share capital of the BI Acquisition Company; and
- (ii) the BI Sale Loan, being the entire amount of the principal, interest (if any) and other sums and indebtedness due, owing or payable to Fidelity Finance Company, Limited, a direct wholly-owned subsidiary of SHKP.

The BI Acquisition Purchaser has designated a nominee to take assignment of the BI Sale Loan.

Under the BI Acquisition, the Group will acquire from the SHKP Group the BI Acquisition Company which holds the BI Property, comprising the entire industrial building at 8-12 Wong Chuk Yeung Street, Fo Tan, Shatin, New Territories, Hong Kong.

BI Consideration and payment terms

The BI Consideration payable for the BI Sale Shares and the BI Sale Loan is approximately HK\$2,215,390,000, subject to potential adjustment in accordance with the terms of the BI Acquisition Agreement. The consideration for the BI Sale Loan shall be a sum equal to the aggregate principal amount of the BI Sale Loan as at BI Completion Date, while the consideration for the BI Sale Shares shall be the remainder of the BI Consideration (that is, the BI Consideration less the consideration for the BI Sale Loan).

The BI Consideration was determined after arm's length negotiations between the BI Acquisition Purchaser and the BI Acquisition Vendor with reference to (i) the agreed value of the BI Property of HK\$2,250,000,000; (ii) the currently available amount of unaudited attributable net liabilities value of the BI Acquisition Company (excluding the unaudited carrying value of the BI Property); and (iii) the currently available unaudited amount of the BI Sale Loan.

Pursuant to the BI Acquisition Agreement, after the BI Completion, the BI Consideration shall be adjusted by the change in the net liabilities value (excluding the unaudited carrying values of the BI Property and the BI Sale Loan) of the BI Acquisition Company as at 30 June 2019 to its net assets or net liabilities value (excluding the unaudited carrying values of the BI Property and the BI Sale Loan) to be determined as at BI Completion Date.

The BI Consideration shall be satisfied in the following manner:

- (a) on the date of the BI Acquisition Agreement, the BI Acquisition Purchaser shall pay or procure to be paid to the BI Acquisition Vendor a deposit in the sum of approximately HK\$221,539,000 (representing 10% of the BI Consideration);
- (b) subject to fulfillment (or waiver if applicable) of the conditions precedent under the BI Acquisition Agreement, the BI Acquisition Purchaser shall pay or procure to be paid to the BI Acquisition Vendor the balance in the sum of approximately HK\$1,993,851,000 upon BI Completion; and
- (c) after the BI Completion, (i) the BI Acquisition Purchaser shall pay the BI Acquisition Vendor the amount of the adjustment to the BI Consideration in the event of an upward adjustment; or (ii) the BI Acquisition Vendor shall pay the BI Acquisition Purchaser the amount of the adjustment to the BI Consideration in the event of a downward adjustment.

Further details regarding the settlement of the BI Consideration are set out in the section headed "NETTING OFF OF CONSIDERATION PAYABLE UNDER THE AGREEMENTS" below.

Original acquisition cost of the BI Property

Based on the information provided by the BI Acquisition Vendor, the BI Property was acquired by the BI Acquisition Company in 1991 at the consideration of HK\$290,000,000.

Conditions Precedent

The BI Completion is conditional upon, inter alia, proof of good title to the BI Property, the approval by the Independent Shareholders of the BI Acquisition Agreement and the transactions contemplated thereunder as required under the Listing Rules, and the fulfillment (or waiver if applicable) of the respective conditions precedent under the RD Disposal Agreement and the MI Disposal Agreement.

Completion

Subject to the fulfillment or waiver (if applicable) of all the conditions precedent under the BI Acquisition Agreement by no later than 4:00 p.m. on the BI Completion Date, completion of the sale and purchase of the BI Sale Shares and the assignment of the BI Sale Loan shall take place simultaneously on the BI Completion Date.

THE DISPOSALS

(i) The RD Disposal Agreement

The principal terms of the RD Disposal Agreement are set out below:

Date

9 September 2019

Parties

- (i) the RD Disposal Purchaser, as the purchaser; and
- (ii) the RD Disposal Vendor, as the vendor

Assets to be disposed of

- (i) the RD Sale Share representing the entire issued share capital of the RD Disposal Company; and
- (ii) the RD Sale Loan, being the entire amount of the principal, interest (if any) and other sums and indebtedness due, owing or payable to Grandwide Development Limited, an indirect wholly-owned subsidiary of the Company.

The RD Disposal Purchaser has designated a nominee to take assignment of the RD Sale Loan.

Under the RD Disposal, the Group will dispose of to the SHKP Group the RD Disposal Company which holds the RD Properties, comprising certain office units of Standard Chartered Tower, Millennium City 1 in Kwun Tong, Kowloon, Hong Kong.

RD Consideration and payment terms

The RD Consideration payable for the RD Sale Share and the RD Sale Loan is approximately HK\$1,051,514,000, subject to potential adjustments in accordance with the terms of the RD Disposal Agreement. The consideration for the RD Sale Loan shall be a sum equal to the aggregate principal amount of the RD Sale Loan as at RD Completion Date, while the consideration for the RD Sale Share shall be the remainder of the RD Consideration (that is, the RD Consideration less the consideration for the RD Sale Loan).

The RD Consideration was determined after arm's length negotiations between the RD Disposal Purchaser and the RD Disposal Vendor with reference to (i) the agreed value of the RD Properties of HK\$1,076,208,000; (ii) the currently available amount of unaudited attributable net liabilities value of the RD Disposal Company (excluding the unaudited carrying value of the RD Properties); and (iii) the currently available unaudited amount of the RD Sale Loan.

Pursuant to the RD Disposal Agreement, after the RD Completion, the RD Consideration shall be adjusted by the change in the net liabilities value (excluding the unaudited carrying values of the RD Properties and the RD Sale Loan) of the RD Disposal Company as at 30 June 2019 to its net assets or net liabilities value (excluding the unaudited carrying values of the RD Properties and the RD Sale Loan) to be determined as at RD Completion Date.

The RD Consideration shall be satisfied in the following manner:

- (a) on the date of the RD Disposal Agreement, the RD Disposal Purchaser shall pay or procure to be paid to the RD Disposal Vendor a deposit in the sum of approximately HK\$105,151,400 (representing 10% of the RD Consideration);
- (b) subject to fulfillment (or waiver if applicable) of the conditions precedent under the RD Disposal Agreement, the RD Disposal Purchaser shall pay or procure to be paid to the RD Disposal Vendor the balance in the sum of approximately HK\$946,362,600 upon RD Completion; and
- (c) after the RD Completion, (i) the RD Disposal Purchaser shall pay the RD Disposal Vendor the amount of the adjustment to the RD Consideration in the event of an upward adjustment; or (ii) the RD Disposal Vendor shall pay the RD Disposal Purchaser the amount of the adjustment to the RD Consideration in the event of a downward adjustment.

Further details regarding the settlement of the RD Consideration are set out in the section headed "NETTING OFF OF CONSIDERATION PAYABLE UNDER THE AGREEMENTS" below.

Conditions Precedent

The RD Completion is conditional upon, inter alia, proof of good title to the RD Properties, the approval by the Independent Shareholders of the RD Disposal Agreement and the transactions contemplated thereunder as required under the Listing Rules, and the fulfillment (or waiver if applicable) of the respective conditions precedent under the MI Disposal Agreement and the BI Acquisition Agreement.

Completion

Subject to the fulfillment or waiver (if applicable) of all the conditions precedent under the RD Disposal Agreement by no later than 4:00 p.m. on the RD Completion Date, completion of the sale and purchase of the RD Sale Share and the assignment of the RD Sale Loan shall take place simultaneously on the RD Completion Date.

(ii) The MI Disposal Agreement

The principal terms of the MI Disposal Agreement are set out below:

Date

9 September 2019

Parties

- (i) the MI Disposal Purchaser, as the purchaser; and
- (ii) the MI Disposal Vendor, as the vendor

Assets to be disposed of

- (i) the MI Sale Shares representing the entire issued ordinary shares of the MI Disposal Company; and
- (ii) the MI Sale Loan, being the entire amount of the principal, interest (if any) and other sums and indebtedness due, owing or payable to iAdvantage (Solutions) Services Limited, an indirect wholly-owned subsidiary of the Company.

The MI Disposal Purchaser has designated a nominee to take assignment of the MI Sale Loan.

Under the MI Disposal, the Group will dispose of to the SHKP Group the MI Disposal Company which through Splendid Sharp holds the MI Properties, comprising a number of workshops and storerooms at Kodak House II in North Point, Hong Kong.

MI Consideration and payment terms

The MI Consideration payable for the MI Sale Shares and the MI Sale Loan is approximately HK\$755,494,000, subject to potential adjustments in accordance with the terms of the MI Disposal Agreement. The consideration for the MI Sale Loan shall be a sum equal to the aggregate principal amount of the MI Sale Loan as at MI Completion Date, while the consideration for the MI Sale Shares shall be the remainder of the MI Consideration (that is, the MI Consideration less the consideration for the MI Sale Loan).

The MI Consideration was determined after arm's length negotiations between the MI Disposal Purchaser and the MI Disposal Vendor with reference to (i) the agreed value of the MI Properties of HK\$767,044,000; (ii) the currently available amount of unaudited attributable net liabilities value of the MI Disposal Company on a consolidated basis (excluding the unaudited carrying value of the MI Properties); and (iii) the currently available unaudited amount of the MI Sale Loan.

Pursuant to the MI Disposal Agreement, after the MI Completion, the MI Consideration shall be adjusted by the change in the consolidated net liabilities value (excluding the unaudited carrying values of the MI Properties and the MI Sale Loan) of the MI Disposal Company as at 30 June 2019 to its consolidated net assets or net liabilities value (excluding the unaudited carrying values of the MI Properties and the MI Sale Loan) to be determined as at the MI Completion Date.

The MI Consideration shall be satisfied in the following manner:

- (a) on the date of the MI Disposal Agreement, the MI Disposal Purchaser shall pay or procure to be paid to the MI Disposal Vendor a deposit in the sum of approximately HK\$75,549,400 (representing 10% of the MI Consideration);
- (b) subject to fulfillment (or waiver if applicable) of the conditions precedent under the MI Disposal Agreement, the MI Disposal Purchaser shall pay or procure to be paid to the MI Disposal Vendor the balance in the sum of approximately HK\$679,944,600 upon MI Completion; and
- (c) after the MI Completion, (i) the MI Disposal Purchaser shall pay the MI Disposal Vendor the amount of the adjustment to the MI Consideration in the event of an upward adjustment; or (ii) the MI Disposal Vendor shall pay the MI Disposal Purchaser the amount of the adjustment to the MI Consideration in the event of a downward adjustment.

Further details regarding the settlement of the MI Consideration are set out in the section headed "NETTING OFF OF CONSIDERATION PAYABLE UNDER THE AGREEMENTS" below.

Conditions Precedent

The MI Completion is conditional upon, inter alia, proof of good title to the MI Properties, the approval by the Independent Shareholders of the MI Disposal Agreement and the transactions contemplated thereunder as required under the Listing Rules, and the fulfillment (or waiver if applicable) of the respective conditions precedent under the RD Disposal Agreement and the BI Acquisition Agreement.

Completion

Subject to the fulfillment or waiver (if applicable) of all the conditions precedent under the MI Disposal Agreement by no later than 4:00 p.m. on the MI Completion Date, completion of the sale and purchase of the MI Sale Shares and the assignment of the MI Sale Loan shall take place simultaneously on the MI Completion Date.

NETTING OFF OF CONSIDERATION PAYABLE UNDER THE AGREEMENTS

Pursuant to the Agreements, payment of the considerations (including the deposits and the balance of the considerations) shall be made by way of netting off the relevant amount payable for the BI Acquisition (i.e. the BI Consideration) against the relevant amounts receivable from the Disposals (i.e. the RD Consideration and the MI Consideration). Subject to potential adjustments to the considerations, a net amount of approximately HK\$408.4 million (before including the relevant costs and expenses in relation to the Transactions) in aggregate is payable by the Group, which will be funded by the Group's existing available banking facilities and/or internal resources. The amounts payable/receivable upon adjustment of the considerations under the Agreements shall also be netted off.

If any of the conditions precedent to the BI Completion, the RD Completion and the MI Completion is not satisfied or (where applicable) waived, the Transactions will not be completed and the net amount of the deposit paid by the Group will be refunded.

INFORMATION ON THE PARTIES TO THE AGREEMENTS

The Group

The Company is a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange, and the Group is principally engaged in the provision of (i) data centre, facilities management and value-added services; and (ii) installation and maintenance services. The Group has extensive experience in operating data centres and is one of the major providers of carrier-neutral data centre services in Hong Kong.

The RD Disposal Vendor (which is also the BI Acquisition Purchaser) is a company incorporated under the laws of the British Virgin Islands. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The MI Disposal Vendor is a company incorporated under the laws of the British Virgin Islands. It is a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The SHKP Group

SHKP is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the SHKP Group is principally engaged in the development of and investment in properties for sale and rent, hotel operation, telecommunications, transport infrastructure and logistics.

The RD Disposal Purchaser (which is also the MI Disposal Purchaser) is a company incorporated under the laws of the British Virgin Islands. It is an indirect wholly-owned subsidiary of SHKP and is principally engaged in investment holding.

The BI Acquisition Vendor is a company incorporated under the laws of the British Virgin Islands. It is an indirect wholly-owned subsidiary of SHKP and is principally engaged in investment holding.

INFORMATION ON THE BI ACQUISITION COMPANY, THE RD DISPOSAL COMPANY AND THE MI DISPOSAL COMPANY

As at the date of this announcement, the RD Disposal Company and the MI Disposal Company are indirect wholly-owned subsidiaries of the Company, and their financial results, assets and liabilities are consolidated into the Group's audited consolidated financial statements. The BI Acquisition Company is an indirect wholly-owned subsidiary of SHKP, and its financial results, assets and liabilities are consolidated into the SHKP Group's audited consolidated financial statements.

Set out below are the summaries of the general and key financial information of the BI Acquisition Company, the RD Disposal Company and the MI Disposal Company for the two financial years ended 30 June 2018 and 30 June 2019.

The BI Acquisition Company

The BI Acquisition Company is a company incorporated under the laws of the British Virgin Islands. It is an indirect wholly-owned subsidiary of SHKP and is principally engaged in property investment.

The BI Property, comprising the entire industrial building at 8-12 Wong Chuk Yeung Street, Fo Tan, Shatin, New Territories, Hong Kong, is owned by the BI Acquisition Company. As at the date of this announcement, the BI Property is subject to various tenancies with the latest expiry date in June 2022 and an aggregate monthly rental of approximately HK\$8.1 million.

Set out below is a summary of the unaudited financial information of the BI Acquisition Company for the two financial years ended 30 June 2018 and 30 June 2019, respectively:

	For the financial year ended 30 June	
	2018	2019
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Revenue	98.3	101.0
Net profit before taxation	153.6	182.5
Net profit after taxation	140.5	169.1

As at 30 June 2019, the unaudited net asset value of the BI Acquisition Company was approximately HK\$1,600.3 million.

The RD Disposal Company

The RD Disposal Company is a company incorporated under the laws of the British Virgin Islands. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in property holding.

The RD Properties, comprising certain office units of Standard Chartered Tower, Millennium City 1 in Kwun Tong, Kowloon, Hong Kong, are owned by the RD Disposal Company. As at the date of this announcement, the RD Properties are subject to various tenancies with the latest expiry date in December 2023 and an aggregate monthly rental of approximately HK\$2.7 million.

Set out below is a summary of the unaudited financial information of the RD Disposal Company for the two financial years ended 30 June 2018 and 30 June 2019, respectively:

	For the financial year ended 30 June	
	2018	2019
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Revenue	36.7	40.0
Net profit before taxation	130.7	109.3
Net profit after taxation	126.1	104.0

As at 30 June 2019, the unaudited net asset value of the RD Disposal Company was approximately HK\$639.1 million.

The MI Disposal Company

The MI Disposal Company is a company incorporated under the laws of the British Virgin Islands. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding. Splendid Sharp is a company incorporated in Hong Kong. It is a direct subsidiary of the MI Disposal Company and is principally engaged in property holding.

The MI Properties, comprising a number of workshops and storerooms at Kodak House II in North Point, Hong Kong, are owned by the MI Disposal Company through Splendid Sharp. As at the date of this announcement, the MI Properties are subject to various tenancies with the latest expiry date in September 2021 and an aggregate monthly rental of approximately HK\$1.8 million.

Set out below is a summary of the consolidated unaudited financial information of the MI Disposal Company (including Splendid Sharp) for the two financial years ended 30 June 2018 and 30 June 2019, respectively:

	For the financial year ended 30 June	
	2018	2019
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Revenue	24.3	27.8
Net profit before taxation	75.1	129.6
Net profit after taxation	72.0	125.9

As at 30 June 2019, the consolidated unaudited net asset value of the MI Disposal Company (including Splendid Sharp) was approximately HK\$644.1 million.

FINANCIAL EFFECT OF THE TRANSACTIONS

Following the BI Completion, the Group will hold 100% equity interests in the BI Acquisition Company. Accordingly, the BI Acquisition Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

Upon the RD Completion and the MI Completion, the Group will dispose of all of its equity interests in the RD Disposal Company and the MI Disposal Company respectively, and the RD Disposal Company and the MI Disposal Company will cease to be subsidiaries of the Company. Accordingly, the financial results of the RD Disposal Company and the MI Disposal Company will no longer be consolidated in the accounts of the Group. The total estimated gain arising from the Disposals in aggregate will be approximately HK\$74.2 million, with the gain arising from the RD Disposal and the MI Disposal (before deducting related expenses) being approximately HK\$45.2 million and HK\$29.0 million respectively. Such estimated gain arising from the Disposals will be the fair value

gain on the investment properties upon completion of the Disposals, which is estimated primarily based on the differences between the agreed values of the RD Properties and the MI Properties, and the fair values of the RD Properties and the MI Properties as at 30 June 2019.

As mentioned above, pursuant to the Agreements, given that the Aggregate Consideration for Disposals of approximately HK\$1,807.0 million will be used to net off against part of the BI Consideration of approximately HK\$2,215.4 million, the Group is expected to incur an aggregate cash outflow of approximately HK\$411.9 million (subject to potential adjustments to the consideration), being the aforesaid net payment of the BI Consideration (after including the relevant transaction costs and expenses in relation to the Transactions in the aggregate amount of approximately HK\$3.5 million), which will be funded by the Group's existing available banking facilities and/or internal resources.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Specialising on data centre businesses

The Group is principally engaged in the provision of data centre, facilities management and value-added services, and installation and maintenance services. The Group's approach is to build a portfolio of data centres equipped with superior infrastructure and facilities at different locations, connected by high-speed dark fibers to form a campus to meet customers' needs.

The Transactions involve the acquisition of property in relation to the data centre and the disposal of commercial properties by the Group. The Group has accumulated many years of experience and possesses competitive advantage in the data centre market in Hong Kong. The Board believes that the Transactions can help the Group to further clearly define its business positioning. To facilitate the Group's future strategic development, the disposal of the investment properties of the Group pursuant to the Disposals will help the Group adjust its business mix, define its business positioning in a clearer way, and focus on its specialisation development.

Eliminating continuing connected transactions

As at the date of this announcement, the BI Property is held by the SHKP Group through the BI Acquisition Company, most of which is currently leased to and operated by the Group as a data centre. The BI Acquisition Company charges members of the Group rental and license fee for the leasing and licensing of such premises.

As at the date of this announcement, the RD Properties and the MI Properties are held by the Group through the RD Disposal Company and the MI Disposal Company respectively. Kai Shing Management Services Limited ("**Kai Shing**"), a wholly-owned subsidiary of SHKP, is the building manager of both the RD Properties and the MI Properties. As such, property management fees are paid by members of the Group to Kai Shing for the performance of its services.

Upon completion of the Transactions, the BI Acquisition Company will become a subsidiary of the Company, and the RD Disposal Company and the MI Disposal Company will cease to be subsidiaries of the Company. Therefore, (i) the lease arrangements between the BI Acquisition Company and the Group in respect of the BI Property; and (ii) the provision of property management services by the SHKP Group in respect of the RD Properties and the MI Properties will cease to be continuing connected transactions of the Company. Moreover, the Group will no longer be subject to pressure of rental increase in relation to the BI Property in the future.

Providing data centre services to major customers with greater flexibility

It is common market practice for major and hyper-scale data centre customers to enter into long-term service agreements with roll-over terms with data centre providers. Such customers also usually require customized modifications to be made to the data centre premises leased to them to cater for their specific needs, which would require approval from the landlord.

The current leasing arrangements in respect of the BI Property between the Group and the BI Acquisition Company, which constitute continuing connected transactions of the Company, are limited to a maximum term of 3 years, which are often not long enough to cover the full term required by the Group's major customers before further renewal. Besides, approval from the BI Acquisition Company as the landlord would be needed for effecting the requirements of such major customers for modifications of the data centre premises leased to them.

Upon the BI Completion, the Group will have more control over the BI Property and greater flexibility to fulfil the requirements of long-term leasing and modifications of the data centre premises of such types of customers, which will facilitate the long-term development of the Group's business.

The Directors consider that the transactions under the Agreements will assist the Group in eliminating continuing connected transactions, and minimise potential competition and conflict of interests, with SHKP going forward.

The terms of the Agreements were negotiated by the parties on an arm's length basis. Accordingly, the Directors (excluding the independent non-executive Directors who will render their views after considering the advice to be given by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders) are of the view that the terms of the Agreements, including their respective considerations, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FURTHER INFORMATION

Intention regarding the dividend for the year ending 30 June 2020

According to the annual results announcement of the Group for the year ended 30 June 2019 dated 6 September 2019 (the “**2019 Annual Results Announcement**”), the Company has recommended a final dividend of HK16.5 cents per share to Shareholders and payment of HK16.5 cents to convertible noteholders of the Company for each share which such registered noteholders would have become holders of, had such registered noteholders’ convertible notes then outstanding been converted on or before 5 November 2019 (equivalent to a total amount of HK\$667.7 million) for the year ended 30 June 2019. Having considered the net cash outflow of approximately HK\$411.9 million, it is expected that the Transactions would not have a material impact on the Group’s results for the year ending 30 June 2020. It is the intention of the Company, in the absence of unforeseen circumstances, to maintain its dividend payment and payment in respect of the convertible notes for the financial year ending 30 June 2020 at an amount at least equal to that recommended to be paid for the year ended 30 June 2019, totalling HK\$667.7 million.

No immediate plan for equity fund-raising

As disclosed in the 2019 Annual Results Announcement, the Group is expected to commit capital expenditure mainly on the development of the new data centres and enhancing the operating capacity of the existing data centre facilities, which will be funded by the Group’s available banking facilities and/or internal resources. Having further considered the materiality of the expected aggregate cash outflow for the Transactions and the existing available banking facilities and internal resources of the Group, the Company expects the Group to have sufficient funding for its capital expenditure and working capital after making the net payment of the considerations under the Transactions. Accordingly, the Group presently does not see the need for equity fund-raising exercise.

LISTING RULES IMPLICATIONS

The BI Acquisition Vendor, the RD Disposal Purchaser and the MI Disposal Purchaser are indirect wholly-owned subsidiaries of SHKP, which in turn is the controlling shareholder of the Company. Accordingly, the BI Acquisition Vendor, the RD Disposal Purchaser and the MI Disposal Purchaser are associates of SHKP and connected persons of the Company, and therefore the entering into of each of the Transactions constitutes a connected transaction of the Company.

Since the Agreements are inter-conditional and will be completed simultaneously, they are regarded as one transaction involving both an acquisition and a disposal under Rule 14.24 of the Listing Rules, and the transactions under the Agreements are classified by reference to the larger of the acquisition or the disposal. As one or more of the applicable percentage ratios in respect of the BI Acquisition as well as in respect of the Disposals (in aggregate) is greater than 5% but all are

less than 25%, each of the Transactions constitutes (i) a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

Messrs. KWOK Ping-luen, Raymond, FUNG Yuk-lun, Allen, TUNG Chi-ho, Eric and KWOK Kai-wang, Christopher who are directors of both the Company and SHKP are regarded as materially interested in the Transactions, and had abstained from voting on the board resolutions approving the entering into of each of the Agreements pursuant to the amended and restated articles of association of the Company and the Listing Rules. Mr. CHEUNG Wing-yui is a consultant of the firm of solicitors which has provided professional services to the Company in relation to the Transactions, and had also abstained from voting on the board resolutions approving the entering into of each of the Agreements to avoid potential conflicts of interests.

GENERAL

An EGM will be convened by the Company for the purposes of considering and, if thought fit, approving the Agreements and the transactions contemplated thereunder. As at the date of this announcement, SHKP (through its associates) is interested in approximately 73.9% of the issued shares of the Company. As certain wholly-owned subsidiaries of SHKP have a material interest in the Transactions, the associates of SHKP which hold shares in the Company are required to abstain from voting on the relevant resolutions at the EGM. To the best of the Directors' knowledge, none of the other Shareholders is materially interested in the Transactions and required to abstain from voting on the relevant resolutions at the EGM.

An Independent Board Committee has been established to advise the Independent Shareholders on whether the terms of each of the Agreements and the transactions contemplated thereunder are fair and reasonable, whether the entering into of each of the Agreements is in the interests of the Company and the Shareholders as a whole, and how to vote at the EGM in respect of the entering into of each of the Agreements. Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, (i) further details on the Agreements and the Transactions; (ii) a letter from the Independent Board Committee containing its advice and recommendations in respect of the Agreements and the Transactions; (iii) a letter from Somerley containing its advice and recommendations in respect of the Agreements and the Transactions; (iv) other information as required by the Listing Rules; and (v) a notice convening the EGM is expected to be despatched to the Shareholders on or before 11 October 2019, as additional time is required to compile the information for inclusion in the circular.

Completion of the BI Acquisition Agreement, the RD Disposal Agreement and the MI Disposal Agreement are subject to the fulfillment (or waiver if applicable) of the respective conditions precedent thereto, and accordingly the Transactions may or may not eventually be implemented. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

EGM

The EGM is expected to be held on 30 October 2019 and the notice of the EGM will be published and despatched to the Shareholders and, for information only, the noteholders of the Company accordingly.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlements of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 25 October 2019 to Wednesday, 30 October 2019, both dates inclusive, during which no transfer of Shares will be effected.

- (i) In the case of the Shares, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 24 October 2019; and
- (ii) In the case of the convertible notes of the Company, in order to be entitled to attend and vote at the EGM, the notice of conversion accompanied by the relevant note certificate and payment of the necessary amount should have been surrendered to and deposited with the Company's registrar in respect of the convertible notes, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for conversion into Shares not later than 4:30 p.m. on Tuesday, 10 September 2019.

DEFINITIONS

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

- “Aggregate Consideration for Disposals” the aggregate of the RD Consideration and the MI Consideration;
- “Agreements” collectively, the BI Acquisition Agreement, the RD Disposal Agreement and the MI Disposal Agreement;
- “associate(s)” has the meaning ascribed to it under the Listing Rules;

“BI Acquisition”	the acquisition of the BI Sale Shares and the BI Sale Loan by the BI Acquisition Purchaser from the BI Acquisition Vendor and Fidelity Finance Company, Limited (a direct wholly-owned subsidiary of SHKP) respectively in accordance with the terms and conditions of the BI Acquisition Agreement and the performance of the transactions contemplated under the BI Acquisition Agreement;
“BI Acquisition Agreement”	the conditional sale and purchase agreement dated 9 September 2019 entered into between the BI Acquisition Vendor as vendor and the BI Acquisition Purchaser as purchaser in relation to the BI Acquisition;
“BI Acquisition Company”	Branhall Investments Limited, a company incorporated under the laws of the British Virgin Islands, which is an indirect wholly-owned subsidiary of SHKP at the date of this announcement and prior to the BI Completion;
“BI Acquisition Purchaser” or “RD Disposal Vendor”	Capital Data Centre Limited, a company incorporated under the laws of the British Virgin Islands, which is indirectly wholly-owned by the Company;
“BI Acquisition Vendor”	Camembert Investments Limited, a company incorporated under the laws of the British Virgin Islands, which is indirectly wholly-owned by SHKP;
“BI Completion”	completion of the BI Acquisition in accordance with the terms and conditions of the BI Acquisition Agreement;
“BI Completion Date”	6 November 2019 (or such other date as may be agreed in writing between the BI Acquisition Purchaser and the BI Acquisition Vendor), being the date on which the BI Completion shall take place;
“BI Consideration”	the consideration for the BI Sale Shares and the BI Sale Loan;
“BI Property”	the entire industrial building at 8-12 Wong Chuk Yeung Street, Fo Tan, Shatin, New Territories, Hong Kong, with further particulars as set out in the BI Acquisition Agreement;
“BI Sale Loan”	the unsecured loan owing by the BI Acquisition Company to Fidelity Finance Company, Limited, which is a direct wholly-owned subsidiary of SHKP;
“BI Sale Shares”	2 ordinary shares and 39,999,998 redeemable shares of the BI Acquisition Company, representing the entire issued share capital of the BI Acquisition Company;

“Board”	the board of Directors;
“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(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposals”	collectively, the RD Disposal and the MI Disposal;
“EGM”	an extraordinary general meeting of the Company to be convened to consider, and if thought fit, approve the Agreements and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors established for the purpose of giving advice and making recommendation to the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder;
“Independent Financial Adviser” or “Sommerley”	Sommerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder;

“Independent Shareholders”	Shareholders other than Shareholder(s) who is/are materially interested in the transactions contemplated under any of the Agreements;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as may be amended from time to time);
“MI Completion”	completion of the MI Disposal in accordance with the terms and conditions of the MI Disposal Agreement;
“MI Completion Date”	6 November 2019 (or such other date as may be agreed in writing between the MI Disposal Purchaser and the MI Disposal Vendor), being the date on which the MI Completion shall take place;
“MI Consideration”	the consideration for the MI Sale Shares and the MI Sale Loan;
“MI Disposal”	the disposal of the MI Sale Shares and the MI Sale Loan by the MI Disposal Vendor and iAdvantage (Solutions) Services Limited (an indirect wholly-owned subsidiary of the Company) respectively to the MI Disposal Purchaser in accordance with the terms and conditions of the MI Disposal Agreement and the performance of the transactions contemplated under the MI Disposal Agreement;
“MI Disposal Agreement”	the conditional sale and purchase agreement dated 9 September 2019 entered into between the MI Disposal Vendor as vendor and the MI Disposal Purchaser as purchaser in relation to the MI Disposal;
“MI Disposal Company”	Multi-well Investments Limited, a company incorporated under the laws of the British Virgin Islands, which is an indirect wholly-owned subsidiary of the Company at the date of this announcement and prior to the MI Completion;
“MI Disposal Purchaser” or “RD Disposal Purchaser”	First Accurate Limited, a company incorporated under the laws of the British Virgin Islands, which is indirectly wholly-owned by SHKP;
“MI Disposal Vendor”	Huge Profit Investments Ltd., a company incorporated under the laws of the British Virgin Islands, which is directly wholly-owned by the Company;
“MI Properties”	24 workshops and 2 storerooms at Kodak House II, No.39 Healthy Street East, North Point, Hong Kong, with further particulars as set out in the MI Disposal Agreement;

“MI Sale Loan”	the unsecured loan owing by the MI Disposal Company to iAdvantage (Solutions) Services Limited, which is an indirect wholly-owned subsidiary of the Company;
“MI Sale Shares”	2 issued ordinary shares of the MI Disposal Company, representing the entire issued ordinary shares of the MI Disposal Company;
“RD Completion”	completion of the RD Disposal in accordance with the terms and conditions of the RD Disposal Agreement;
“RD Completion Date”	6 November 2019 (or such other date as may be agreed in writing between the RD Disposal Purchaser and the RD Disposal Vendor), being the date on which the RD Completion shall take place;
“RD Consideration”	the consideration for the RD Sale Share and the RD Sale Loan;
“RD Disposal”	the disposal of the RD Sale Share and the RD Sale Loan by the RD Disposal Vendor and Grandwide Development Limited (an indirect wholly-owned subsidiary of the Company) respectively to the RD Disposal Purchaser in accordance with the terms and conditions of the RD Disposal Agreement and the performance of the transactions contemplated under the RD Disposal Agreement;
“RD Disposal Agreement”	the conditional sale and purchase agreement dated 9 September 2019 entered into between the RD Disposal Vendor as vendor and the RD Disposal Purchaser as purchaser in relation to the RD Disposal;
“RD Disposal Company”	Riderstrack Development Limited, a company incorporated under the laws of the British Virgin Islands, which is an indirect wholly-owned subsidiary of the Company at the date of this announcement and prior to the RD Completion;
“RD Properties”	certain units on 31st, 32nd, 33rd, 35th and 37th floors of Standard Chartered Tower, Millennium City 1, No.388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, with further particulars as set out in the RD Disposal Agreement;
“RD Sale Loan”	the unsecured loan owing by the RD Disposal Company to Grandwide Development Limited, which is an indirect wholly-owned subsidiary of the Company;
“RD Sale Share”	1 issued share of the RD Disposal Company, representing the entire issued share capital of the RD Disposal Company;

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholders(s)”	holder(s) of the Share(s);
“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 (excluding the Group) from time to time;
“Splendid Sharp”	Splendid Sharp Limited, a company incorporated in Hong Kong with limited liability, which is a direct subsidiary of the MI Disposal Company at the date of this announcement and prior to the MI Completion;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Transactions”	collectively, the BI Acquisition and the Disposals; and
“%”	per cent.

By Order of the Board
SUNEVISION HOLDINGS LTD.
AU King-lun, Paulina
Company Secretary

Hong Kong, 9 September 2019

As at the date of this announcement, the Board comprises four Executive Directors, being KWOK Ping-luen, Raymond, FUNG Yuk-lun, Allen, TONG Kwok-kong, Raymond, 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.