

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in **SUNeVision Holdings Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



sunEvision

**SUNEVISION HOLDINGS LTD.**

**新意網集團有限公司**

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

**(Stock Code: 1686)**

**RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**SOMERLEY CAPITAL LIMITED**

---

Capitalised terms used in the lower portion of this cover page will have the same respective meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 5 to 25 of this circular. A letter from the Independent Board Committee is set out on pages 26 to 27 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 28 to 41 of this circular.

A notice of the EGM to be held at 4th Floor and 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on Wednesday, 21 June 2023 at 12:00 noon is set out on pages 59 to 62 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 12:00 noon on Monday, 19 June 2023 or not less than 48 hours before the time for holding any adjourned EGM (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof, if you so wish.

*This circular is made in English and Chinese. In case of any inconsistency, the English version shall prevail.*

24 May 2023

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Letter from the Independent Board Committee</b> .....	26
<b>Letter from the Independent Financial Adviser</b> .....	28
<b>Appendix – General Information</b> .....	42
<b>Notice of Extraordinary General Meeting</b> .....	59

---

## DEFINITIONS

---

*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“2020 Announcement”	the announcement of the Company dated 5 May 2020;
“2023 Announcement”	the announcement of the Company dated 3 May 2023;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“CABD”	communal aerial broadcasting distribution, the traditional means of receiving free-to-air programming via a roof-top aerial;
“CCTs Annual Caps”	the System and Networking Arrangement Annual Caps, the Maintenance Arrangement Annual Caps, the System and Networking Sub-contracting Arrangement Annual Caps, and Maintenance Sub-contracting Arrangement Annual Caps;
“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;
“Continuing Connected Transactions”	the transactions under the System and Networking Arrangement, the Maintenance Arrangement, the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement;
“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Continuing Connected Transactions;
“ELV”	extra-low voltage;
“Existing Approval”	The approval by the then Independent Shareholders in respect of the System and Networking Arrangement, the Maintenance Arrangement, the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement at the extraordinary general meeting of the Company held on 23 June 2020;

---

## DEFINITIONS

---

“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;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors;
“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 SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions;
“Independent Shareholders”	Shareholders that are not required to abstain from voting on the Continuing Connected Transactions at the EGM;
“Independent Shareholders’ Approval”	the approval of the Independent Shareholders;
“IT”	information technology incorporating internet related services and business;
“Latest Practicable Date”	17 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maintenance Arrangement”	the maintenance and repair services of systems and networking provided or to be provided by the Group to the SHKP Group as referred to and defined in section 2(ii)B of the letter from the Board set out in this circular;
“Maintenance Arrangement Annual Caps”	the proposed annual caps for the aggregate amount of services fees which may be received by the Group pursuant to the Maintenance Arrangement for each of the three financial years ending 30 June 2026, before taking into account any service fee free periods which may be offered;

---

## DEFINITIONS

---

“Maintenance Sub-contracting Arrangement”	the engagement of members of the SHKP Group by members of the Group in connection with the provision of services pursuant to the Maintenance Arrangement as referred to and defined in section 2(ii)D of the letter from the Board set out in this circular;
“Maintenance Sub-contracting Arrangement Annual Caps”	the proposed annual caps for the aggregate amount of service fees which may be payable by the Group pursuant to the Maintenance Sub-contracting Arrangement for each of the three financial years ending 30 June 2026;
“New Agreements”	the agreements all dated 3 May 2023 entered into between the Company on the one hand and SHKP on the other hand governing the Continuing Connected Transactions and “New Agreement” means any one of them;
“Relevant Historical Periods”	the two financial years ended 30 June 2021 and 30 June 2022 respectively and the six-month period ended 31 December 2022;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the 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 from time to time, but excluding the Group;
“SMATV”	satellite master antenna television;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“System and Networking Arrangement”	the design, supply, installation, operation and provision of systems and networking services provided or to be provided by the Group to the SHKP Group as referred to and defined in section 2(ii)A of the letter from the Board set out in this circular;

---

## DEFINITIONS

---

“System and Networking Arrangement Annual Caps”	the proposed annual caps for the aggregate amount of service fees which may be received by the Group pursuant to the System and Networking Arrangement for each of the three financial years ending 30 June 2026;
“System and Networking Sub-contracting Arrangement”	the engagement of members of the SHKP Group by members of the Group in connection with the provision of services pursuant to the System and Networking Arrangement as referred to and defined in section 2(ii)C of the letter from the Board set out in this circular;
“System and Networking Sub-contracting Arrangement Annual Caps”	the proposed annual caps for the aggregate amount of services fees which may be payable by the Group pursuant to the System and Networking Sub-contracting Arrangement for each of the three financial years ending 30 June 2026;
“%”	per cent.

---

## LETTER FROM THE BOARD

---



sunEvision

### SUNEVISION HOLDINGS LTD.

新意網集團有限公司

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

**(Stock Code: 1686)**

***Executive Directors:***

Kwok Ping-luen, Raymond (*Chairman*)  
Fung Yuk-lun, Allen (*Vice Chairman*)  
Tong Kwok-kong, Raymond (*Chief Executive Officer*)  
Tung Chi-ho, Eric  
Chan Man-yuen, Martin

***Non-Executive Directors:***

Cheung Wing-yui (*Vice Chairman*)  
Kwok Kai-wang, Christopher  
David Norman Prince  
Siu Hon-wah, Thomas  
Chan Hong-ki, Robert  
Lau Yeuk-hung, Fiona

***Independent Non-Executive Directors:***

Li On-ki, Victor  
King Yeo-chi, Ambrose  
Wong Kai-man  
Lee Wai-kwong, Sunny  
Cheng Ka-lai, Lily  
Leong Kwok-kuen, Lincoln

***Registered Office:***

PO Box 309, Uglan House  
Grand Cayman, KY1-1104  
Cayman Islands

***Head Office and Principal***

***Place of Business:***

Unit 3110, 31/F  
Standard Chartered Tower  
Millennium City 1  
388 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

24 May 2023

*To the Shareholders and, for information only, the noteholders of the Company*

Dear Sir/Madam,

### **RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **1. INTRODUCTION**

Reference is made to the 2023 Announcement. Pursuant to the requirements of the Listing Rules, the Company is required to seek the Independent Shareholders' Approval in relation to the Continuing Connected Transactions, which constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the CCTs Annual Caps therefor.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with (i) further information on the Continuing Connected Transactions; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Continuing Connected Transactions; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions; (iv) other information as required by the Listing Rules; and (v) the notice of the EGM.

### **2. RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS WITH SHKP GROUP**

#### **(i) BACKGROUND**

The Group has been conducting the Continuing Connected Transactions, details (including the relevant annual caps) of which were disclosed in the 2020 Announcement. The System and Networking Arrangement, the Maintenance Arrangement, the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement and the respective annual caps therefor for the three financial years ending 30 June 2023 were approved at the extraordinary general meeting of the Company held on 23 June 2020 by the then Independent Shareholders.

#### **(ii) THE CONTINUATION OF THE CONTINUING CONNECTED TRANSACTIONS**

It is expected that the Group and the SHKP Group will from time to time continue to enter into transactions of a nature similar to the Continuing Connected Transactions after 30 June 2023. On 3 May 2023, the Company entered into the New Agreements with SHKP in relation to the carrying out of the Continuing Connected Transactions each for a term of three years from 1 July 2023 to 30 June 2026 (both days inclusive), each of which is conditional upon the obtaining of the approval of the Independent Shareholders.

The Continuing Connected Transactions relate to (1) the provision of services by the Group in connection with system and networking for buildings owned and/or managed by the SHKP Group, and sub-contracting of part of such services by the Group to sub-contractors being subsidiaries of the SHKP Group; and (2) maintenance and repairs of the aforesaid system and networking by the Group, and sub-contracting of part of such maintenance and repair works by the Group to sub-contractors being subsidiaries of the SHKP Group.

Members of the Group will continue to provide services under the System and Networking Arrangement to members of the SHKP Group, and part of such works will be sub-contracted by the Group to members of the SHKP Group pursuant to the System and Networking Sub-contracting Arrangement. Further particulars of the System and Networking Arrangement and the System and Networking Sub-contracting Arrangement are respectively set out in sections A and C below.



---

## LETTER FROM THE BOARD

---

Members of the Group will also continue to be engaged by members of the SHKP Group to carry out works under the Maintenance Arrangement, and part of such works will be sub-contracted by the Group to members of the SHKP Group pursuant to the Maintenance Sub-contracting Arrangement. Further particulars of the Maintenance Arrangement and the Maintenance Sub-contracting Arrangement are respectively set out in sections B and D below.

**A. Design, supply, installation, operation and provision of systems and networking on a project basis by the Group for buildings owned and/or managed by the SHKP Group**

*Background*

Members of the Group have been providing and will continue to provide services to members of the SHKP Group in connection with (i) the design, supply, installation, operation and provision of ELV and IT systems (including but not limited to SMATV/CABD, access control, car park control and other security systems); and (ii) the laying of cable network (including but not limited to voice and data network, building services access and power supply), optical fiber network, broadband network and other IT infrastructure networks in buildings owned and/or managed by the SHKP Group on a project basis (the “**System and Networking Arrangement**”). The Group has charged and will continue to charge the relevant members of the SHKP Group service fees for the provision of such services.

*The New Agreement*

On 3 May 2023, the Company and SHKP entered into a new agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under the System and Networking Arrangement to members of the SHKP Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive). This agreement is conditional upon the obtaining of the Independent Shareholders’ Approval, and is a master agreement which sets out the principles upon which detailed terms are to be determined in respect of each transaction to be carried out pursuant to the System and Networking Arrangement. The said principles include that the services to be provided by the Group to the SHKP Group pursuant to the System and Networking Arrangement shall be negotiated on an arm’s length basis and on normal commercial terms or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms that may be offered to the Group by other independent third party customers. In particular, with respect to the pricing and payment terms for the services to be provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the Group will review and compare the terms of transactions by the Group with independent third party customers for similar services with the terms of services to be provided to the SHKP Group, to ensure that the pricing and payment terms to be offered by the SHKP

---

## LETTER FROM THE BOARD

---

Group to the Group shall be no less favourable to the Group than the pricing and payment terms that may be offered to the Group by other independent third party customers for such services.

In deciding on the terms of the proposed transactions under the System and Networking Arrangement, as with transaction with independent third parties for similar services, the Group will first ascertain from its suppliers and sub-contractors the prime cost of materials and labour for providing similar products and services and for undertaking similar jobs and projects, and then add in a certain percentage markup before submitting the same to the SHKP Group for its consideration. The markup, which is not a term of the New Agreement in respect of the System and Networking Arrangement, will not be less than 5% which is the minimum markup percentage adopted by the Group for prices charged in similar transactions with independent third parties for such services. The markup will be determined by the Group on a case by case basis when the definitive agreement governing the terms of the relevant transaction pursuant to the System and Networking Arrangement is entered into, and will not be less than the aforesaid percentage to ensure that the price is fair and reasonable and competitive for being awarded the contracts under the System and Networking Arrangement and that the price is also comparable to the price charged by the Group in similar transactions involving independent third parties for such services. The New Agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 5 May 2020, which is due to expire on 30 June 2023.

The Group has been informed by the SHKP Group that in deciding which service provider is to be engaged, the SHKP Group may invite bidders for the services required by it and will then select bidders whom it considers are able to offer the most attractive terms for the services concerned taking into account all relevant factors including the price, the quality of work and the schedule of completion offered by the service providers.

Relevant members of the Group and of the SHKP Group have entered into and will enter into separate and definitive agreements to provide for the detailed terms of each transaction pursuant to the System and Networking Arrangement. The service fees payable by the SHKP Group to the Group will be in accordance with such definitive agreements.

---

## LETTER FROM THE BOARD

---

### *The historical amounts*

Under the Existing Approval, the annual cap for the System and Networking Arrangement for each of the three financial years ending 30 June 2023 was HK\$100,200,000, HK\$132,800,000, and HK\$212,700,000 respectively. The following table sets out the aggregate amount of service fees received by the Group pursuant to the System and Networking Arrangement during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount</b> <i>(HK\$)</i>
Financial year ended 30 June 2021	57,913,000
Financial year ended 30 June 2022	81,066,000
Six-month period ended 31 December 2022	55,774,000

### *System and Networking Arrangement Annual Caps and basis of caps*

The System and Networking Arrangement Annual Caps are set out below:

	<b>For the financial year ending 30 June</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>
Service fees pursuant to the System and Networking Arrangement	179,700,000	218,300,000	306,600,000

The System and Networking Arrangement Annual Caps are determined with reference to the historical amounts of such transactions, the projected level of demand for and scale of such services by members of the SHKP Group, the projected level of completion of such services and the anticipated level of fees which the Group may charge in respect of such services.

Many new technology facilities are available in the market from time to time, thus leading to new installations and/or upgrading of existing systems for service quality improvements. Furthermore, the increase in the demand for and scale of luxurious accommodation will generally raise the demand for and scale of the installation of advanced technology facilities in such accommodation. As such, it is expected that the service fees to be charged under the System and Networking Arrangement will increase in alignment with the upward trend of the level of demand for and scale of such services and will also correspond to the projected level of completion of such services as required by members of the SHKP Group. It is expected that the services fees for the financial years ending 30 June 2025 and 30 June 2026 will increase due to ordinary growth in business. Considering the schedule of completion of a large number of property projects of the SHKP Group in the year ending 30 June 2026 for which the Group may render services under the System and Networking Arrangement, a significant increase in service fees to the Group in this regard is anticipated for the financial year ending 30 June 2026.

---

## LETTER FROM THE BOARD

---

The System and Networking Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) confirm that, in view of the fact that the Group has to bid for the projects under the System and Networking Arrangement as set out above in most circumstances, the System and Networking Arrangement has been and will continue to be negotiated on an arm’s length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) further confirm that in respect of the pricing and payment terms for the services provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the pricing and payment terms have been and will continue to be no less favourable to the Group than the pricing and payment terms that may be offered to the Group by other independent third party customers for such services.

### *Internal Controls*

For the pricing terms under the System and Networking Arrangement, the authorised persons of the relevant project teams are responsible for supervising and monitoring compliance with the internal control procedures under the pricing approval work flow.

The Group’s internal audit department performs periodic reviews (on a semi-annual basis) and conducts sample checking of the transactions under the System and Networking Arrangement to ensure the efficiency and effectiveness of the relevant internal control procedures, that the pricing of the transactions under the System and Networking Arrangement strictly adheres to the aforesaid pricing strategy and is comparable to the prices charged by the Group in similar transactions involving independent third parties, and that the terms of the transactions under the System and Networking Arrangement are no less favourable to the Group than those offered to the Group by other independent third parties in similar transactions.

The Group’s internal audit department compares the terms, in particular, pricing and profit margin of the transactions with connected persons and with independent third parties respectively and checks whether the profit margin is in line with the Group’s historical profit margins for similar transactions.

The finance department of the Group monitors the transaction amounts on a monthly basis and the internal audit department of the Group reviews the transaction amounts regularly to ensure that timely alert will be made to the management whenever the aggregate transactions amount is likely to exceed the approved annual caps.

---

## LETTER FROM THE BOARD

---

### **B. Maintenance and repair of systems and networking on a project basis by the Group for buildings owned and/or managed by the SHKP Group**

#### *Background*

Members of the Group have been engaged and will continue to be engaged by members of the SHKP Group to carry out maintenance and repair works for (i) ELV and IT systems (including but not limited to SMATV/CABD, access control, car park control and other security systems); and (ii) cable network (including but not limited to voice and data network, building services access and power supply), optical fiber network, broadband network and other IT infrastructure networks in buildings owned and/or managed by the SHKP Group on a project basis (the “**Maintenance Arrangement**”). The Group has charged and will continue to charge the relevant members of the SHKP Group fees for services provided under the Maintenance Arrangement.

#### *The New Agreement*

On 3 May 2023, the Company and SHKP entered into a new agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under the Maintenance Arrangement to members of the SHKP Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive). This agreement is conditional upon the obtaining of the Independent Shareholders’ Approval, and is a master agreement which sets out the principles upon which detailed terms are to be determined in respect of each transaction to be carried out pursuant to the Maintenance Arrangement. The said principles include that the services to be provided by the Group to the SHKP Group pursuant to the Maintenance Arrangement shall be negotiated on an arm’s length basis and on normal commercial terms or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms that may be offered to the Group by other independent third party customers. In particular, with respect to the pricing and payment terms and, where applicable, any service fee free periods for the services to be provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the Group will review and compare the terms of transactions by the Group with independent third party customers for similar services with the terms of services to be provided to the SHKP Group, to ensure that the pricing and payment terms to be offered by the SHKP Group to the Group shall be no less favourable to the Group than the pricing and payment terms that may be offered to the Group by other independent third party customers for such services.

---

## LETTER FROM THE BOARD

---

In deciding on the terms of the proposed transactions under the Maintenance Arrangement, as with transaction with independent third parties for similar services, the Group will first ascertain from its suppliers and sub-contractors the prime cost of materials and labour for providing similar products and services and for undertaking similar jobs and projects, and then add in a certain percentage markup before submitting the same to the SHKP Group for its consideration. The markup, which is not a term of the New Agreement in respect of the Maintenance Arrangement, will not be less than 15% which is the minimum markup percentage adopted by the Group in similar transactions involving independent third parties for such services. The markup will be determined by the Group on a case by case basis when the definitive agreement governing the terms of the relevant transaction pursuant to the Maintenance Arrangement is entered into, and will not be less than the aforesaid percentage to ensure that the price is fair and reasonable and competitive for being awarded the contracts under the Maintenance Arrangement and that the price is also comparable to the price charged by the Group in similar transactions involving independent third parties for such services. The New Agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 5 May 2020, which is due to expire on 30 June 2023.

The Group has been informed by the SHKP Group that in deciding which service provider is to be engaged, the SHKP Group may invite bidders for the services required by it and will then select bidders whom it considers are able to offer the most attractive terms for the services concerned taking into account all relevant factors, including the price, the quality of work and the schedule of completion offered by the service providers.

Relevant members of the Group and of the SHKP Group have entered into and will enter into separate and definitive agreements to provide for the detailed terms of each transaction pursuant to the Maintenance Arrangement. The service fees payable by the SHKP Group to the Group will be in accordance with such definitive agreements.

### *The historical amounts*

Under the Existing Approval, the annual cap for the Maintenance Arrangement for each of the three financial years ending 30 June 2023 was HK\$76,900,000, HK\$87,300,000, and HK\$99,200,000 respectively. The following table sets out the aggregate amount of service fees received by the Group pursuant to the Maintenance Arrangement (before taking into account service fee free periods offered) during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount</b> <i>(HK\$)</i>
Financial year ended 30 June 2021	61,415,000
Financial year ended 30 June 2022	54,713,000
Six-month period ended 31 December 2022	28,599,000

---

## LETTER FROM THE BOARD

---

### *Maintenance Arrangement Annual Caps and basis of caps*

The Maintenance Arrangement Annual Caps are set out below:

	For the financial year ending 30 June		
	2024	2025	2026
	(HK\$)	(HK\$)	(HK\$)
Service fees pursuant to the Maintenance Arrangement	74,400,000	84,800,000	96,600,000

The Maintenance Arrangement Annual Caps are determined with reference to the historical amounts of such transactions, the projected level of demand for and scale of such services by members of the SHKP Group and the anticipated level of fees which the Group may charge in respect of such services.

As compared with the amount received by the Group during the Relevant Historical Periods set out above, it is expected that the level of demand for and scale of such services will increase as more systems are or will be installed pursuant to the System and Networking Arrangement and as a result of fair wear and tear of the existing systems under maintenance, and also due to the expected increase in the frequency and extent of routine maintenance and repair works which may be required on the systems and networks installed.

The Maintenance Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) confirm that, in view of the fact that the Group has to bid for the projects under the Maintenance Arrangement as set out above in most circumstances, the Maintenance Arrangement has been and will continue to be negotiated on an arm’s length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) further confirm that in respect of the pricing and payment terms and, where applicable, any service fee free periods for the services provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the pricing and payment terms have been and will continue to be no less favourable to the Group than the pricing and payment terms that may be offered to the Group by other independent third party customers for such services.

---

## LETTER FROM THE BOARD

---

### *Internal Controls*

For the pricing terms under the Maintenance Arrangement, the authorised persons of the relevant project teams are responsible for supervising and monitoring compliance with the internal control procedures under the pricing approval work flow.

The Group's internal audit department performs periodic reviews (on a semi-annual basis) and conducts sample checking of the transactions under the Maintenance Arrangement to ensure the efficiency and effectiveness of the relevant internal control procedures, that the terms in force with and the fee charged by the Group to connected persons are comparable to those in force with and charged by the Group to independent third parties in similar transactions, mainly in respect of the scope of services provided, i.e. number, type and complexity of systems/networks involved and the frequency of checking to be carried out.

The Group's internal audit department compares the terms, in particular, profit margin of the transactions with connected persons and with independent third parties respectively.

The finance department of the Group monitors the transaction amounts on a monthly basis and the internal audit department of the Group reviews the transaction amounts regularly to ensure that timely alert will be made to the management whenever the aggregate transactions amount is likely to exceed the approved annual caps.

### **C. Sub-contracting of works in connection with the System and Networking Arrangement**

#### *Background*

In connection with the System and Networking Arrangement for which the Group was engaged as the main contractor by the SHKP Group on a project basis, not all parts of the works involved are performed by members of the Group directly and the Group will, by performing the project supervision role, need to sub-contract part of the works involved in the individual projects to other sub-contractors. Such arrangement of sub-contracting works of the main contractors is a normal and common market practice, and it happens that these sub-contractors include certain members of the SHKP Group. The Group has from time to time engaged members of the SHKP Group to perform part of the works in connection with the System and Networking Arrangement that the Group needs to sub-contract to others (the "**System and Networking Sub-contracting Arrangement**"), and it is expected that the Group will continue to engage the relevant members of the SHKP Group to perform such works. In this connection, for each invitation for tender issued or to be issued by the SHKP Group under the System and Networking Arrangement, a number of sub-contractors of comparable standards in the provision of the required works in the market would generally be set out in such invitation for tender as acceptable sub-contractors under the System and Networking Arrangement. Hence, in awarding the contract for the



---

## LETTER FROM THE BOARD

---

provision of services under the System and Networking Arrangement, it is not a pre-condition that the Group should engage members of the SHKP Group as sub-contractors. Having said that, since members of the SHKP Group are among the various sub-contractors available for the Group's choice, the Group may in the future continue to sub-contract to members of the SHKP Group part of the works which the Group needs the services and/or materials from other parties in order to fulfill its obligations under the System and Networking Arrangement. Engagement of members of the SHKP Group were, and will continue to be, decided solely based on the specific needs of the Group at the relevant time, and if, and only if, they were, or will be, able to pass through the selection procedures of, and meet the criteria set by, the Group. The relevant members of the SHKP Group have charged and will continue to charge the relevant members of the Group fees for the provision of such services.

### *The New Agreement*

On 3 May 2023, the Company and SHKP entered into a new agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under the System and Networking Sub-contracting Arrangement to members of the Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive). This agreement is conditional upon the obtaining of the Independent Shareholders' Approval, and is a master agreement which sets out the principles upon which detailed terms are to be determined in respect of each transaction to be carried out pursuant to the System and Networking Sub-contracting Arrangement. The said principles include that the services to be provided by the SHKP Group to the Group pursuant to the System and Networking Sub-contracting Arrangement shall be negotiated on an arm's length basis and on normal commercial terms or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms that may be offered by the Group to other independent third party service providers. In particular, with respect to the pricing and payment terms for the services to be provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the amount of service fees payable by the relevant members of the Group to the relevant members of the SHKP Group shall be at rates comparable with those offered by the Group to other independent third party service providers. The Group will normally solicit quotations/tenders for similar products and services from at least two independent third parties to ensure that the price to be paid by the Group to the SHKP Group under the System and Networking Sub-contracting Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties.

---

## LETTER FROM THE BOARD

---

Under the System and Networking Arrangement, the SHKP Group may also prescribe a specific type or brand of products or systems to be used, which are exclusively supplied by the respective sole agents in Hong Kong (which include, but are not limited to, members of the SHKP Group). In such cases, the Group will ascertain from the suppliers of the relevant products or systems for the prime costs of materials and labour which they will charge for undertaking the relevant works under the System and Networking Sub-contracting Arrangement, and the Group will then charge as part of the service fees payable by the SHKP Group under the System and Networking Arrangement at a certain percentage markup. SHKP has agreed that the terms, including the pricing terms, upon which such products, systems and services are provided by the relevant member(s) of the SHKP Group to the relevant member(s) of the Group will be no less favourable to the relevant member(s) of the Group than those upon which they are provided by such member(s) of the SHKP Group to other independent third parties. Relevant members of the Group and of the SHKP Group have entered into and will enter into definitive agreements to provide for the detailed terms of each transaction pursuant to such arrangement from time to time. The New Agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 5 May 2020, which is due to expire on 30 June 2023.

### *The historical amounts*

Under the Existing Approval, the annual cap for the System and Networking Sub-contracting Arrangement for each of the three financial years ending 30 June 2023 was HK\$9,000,000, HK\$15,200,000, and HK\$22,200,000 respectively. The following table sets out the aggregate amount of service fees paid by the Group pursuant to the System and Networking Sub-contracting Arrangement during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount</b> <i>(HK\$)</i>
Financial year ended 30 June 2021	4,169,000
Financial year ended 30 June 2022	4,483,000
Six-month period ended 31 December 2022	1,448,000

### *System and Networking Sub-contracting Arrangement Annual Caps and basis of caps*

The System and Networking Sub-contracting Arrangement Annual Caps are set out below:

	<b>For the financial year ending 30 June</b>		
	<b>2024</b> <i>(HK\$)</i>	<b>2025</b> <i>(HK\$)</i>	<b>2026</b> <i>(HK\$)</i>
Service fees pursuant to the System and Networking Sub-contracting Arrangement	17,700,000	21,700,000	43,100,000

---

## LETTER FROM THE BOARD

---

The System and Networking Sub-contracting Arrangement Annual Caps are determined with reference to the projected level of demand for and scale of services to be provided by members of the Group under the System and Networking Arrangement and the anticipated level of fees at which the SHKP Group may charge in respect of the services under the System and Networking Sub-contracting Arrangement. As mentioned in section 2(ii)A above, the level of demand for, the scale of services and the fees to be charged pursuant to the System and Networking Arrangement are expected to increase in the two financial years ending 30 June 2026. It is therefore expected that the services fees for the financial years ending 30 June 2025 and 30 June 2026 under the System and Networking Sub-contracting Arrangement will increase corresponding to the anticipated increase under the System and Networking Arrangement. Furthermore, certain existing and new technology facilities are unique products of the members of the SHKP Group, and in these cases, there are no alternative sub-contractors which the Group can engage. As such, it is expected that the level of demand for and scale of services pursuant to the System and Networking Sub-contracting Arrangement will also increase. These give rise to the projected increase in the amount of service fees which may be payable by the Group pursuant to the System and Networking Sub-contracting Arrangement as compared with the amounts paid by the Group during the Relevant Historical Periods.

The System and Networking Sub-contracting Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) confirm that the System and Networking Sub-contracting Arrangement has been and will continue to be negotiated on an arm’s length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) further confirm that in respect of the pricing and payment terms for the services provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the pricing and payment terms have been and will continue to be no less favourable to the Group than the pricing and payment terms that may be offered by the Group to other independent third party service providers of the Group for such services.

### *Internal Controls*

For the pricing terms under the System and Networking Sub-contracting Arrangement, the authorised persons of the relevant project teams are responsible for supervising and monitoring compliance with the internal control procedures under the purchase control procedures.

---

## LETTER FROM THE BOARD

---

The Group's internal audit department regularly conducts sample checking of the transactions under the System and Networking Sub-contracting Arrangement to ensure the efficiency and effectiveness of the relevant internal control procedures.

According to the Group's internal control procedures, the Group is required to solicit quotations/tenders for similar products and services from at least two independent third parties (depending on the estimated contract value) from its approved contractor list, where possible. The Group will select the contractor which offers the most attractive terms taking into account all relevant factors including but not limited to price, quality of work and schedule of completion. Through these internal control procedures, the Group will ensure that the price to be paid by the Group to the SHKP Group under the System and Networking Sub-contracting Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties.

As mentioned above, there are cases where the Group will charge as part of the service fees payable by the SHKP Group under the System and Networking Arrangement at a certain percentage markup. The Group's internal audit department conducts sample checking of the markup of the sub-contracting costs of works under the System and Networking Sub-contracting Arrangement to ensure such markup charged as part of the service fees payable by the SHKP Group under the System and Networking Arrangement is fair and reasonable and comparable to the markup in similar transactions of the Group.

The finance department of the Group monitors the transaction amounts on a monthly basis and the internal audit department of the Group reviews the transaction amounts regularly to ensure that timely alert will be made to the management whenever the aggregate transactions amount is likely to exceed the approved annual caps.

### **D. Sub-contracting of works in connection with the Maintenance Arrangement**

#### ***Background***

In connection with the Maintenance Arrangement for which the Group was engaged as the main contractor by the SHKP Group on a project basis, based on the capability and resources availability of the Group, not all of the maintenance and repair works involved are performed by members of the Group directly and the Group will need to sub-contract part of the works involved in the individual projects to other sub-contractors. Such arrangement of sub-contracting works of the main contractors is a normal and common market practice, and it happens that these sub-contractors include certain members of the SHKP Group. The Group has from time to time engaged members of the SHKP Group to perform part of the works in connection with the Maintenance Arrangement that the Group needs to sub-contract to others (the "**Maintenance Sub-contracting Arrangement**") and it is expected that the Group will continue to engage the relevant members of the SHKP Group to perform such works. In this connection, the choice of sub-contractors under the Maintenance

---

## LETTER FROM THE BOARD

---

Sub-contracting Arrangement will be determined by, among other things, the systems which are required to be maintained or repaired in the respective buildings but not determined by the SHKP Group. By its nature, certain systems are exclusively supplied by the respective sole agents in Hong Kong which include, but are not limited to, members of the SHKP Group. Hence, in some cases, there are no alternative sub-contractors which the Group can engage if the relevant system is only supplied by members of the SHKP Group. The relevant members of the SHKP Group have charged and will continue to charge the relevant members of the Group fees for the provision of such services.

### *The New Agreement*

On 3 May 2023, the Company and SHKP entered into a new agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under the Maintenance Sub-contracting Arrangement to members of the Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive). This agreement is conditional upon the obtaining of the Independent Shareholders' Approval, and is a master agreement which sets out the principles upon which detailed terms are to be determined in respect of each transaction to be carried out pursuant to the Maintenance Sub-contracting Arrangement. The said principles include that the services to be provided by the SHKP Group to the Group pursuant to the Maintenance Sub-contracting Arrangement shall be negotiated on an arm's length basis and on normal commercial terms or, if there are no or not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms that may be offered by the Group to other independent third party service providers. In particular, with respect to the pricing and payment terms for the services to be provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the amount of service fees payable by the relevant members of the Group to the relevant members of the SHKP Group shall be at rates comparable with those offered by the Group to other independent third party service providers. The Group will normally solicit quotations/tenders for similar products and services from at least two independent third parties to ensure that the price to be paid by the Group to the SHKP Group under the Maintenance Sub-contracting Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties. In situations where the products or systems requiring maintenance or repair are exclusively supplied by the respective sole agents in Hong Kong (which include, but are not limited to, members of the SHKP Group), the Group will ascertain from the suppliers of the relevant products or systems for the prime costs of materials and labour which they will charge for undertaking the relevant works under the Maintenance Sub-contracting Arrangement, and the Group will then charge as part of the service fees payable by the SHKP Group under the Maintenance Arrangement at a certain percentage markup. SHKP has agreed that the terms, including the pricing terms, upon which such products, systems and services are provided by the relevant member(s) of the SHKP Group to the relevant member(s)

---

## LETTER FROM THE BOARD

---

of the Group will be no less favourable to the relevant member(s) of the Group than those upon which they are provided by such member(s) of the SHKP Group to other independent third parties. Relevant members of the Group and of the SHKP Group have entered into and will enter into definitive agreements to provide for the detailed terms of each transaction pursuant to such arrangement from time to time. The New Agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 5 May 2020, which is due to expire on 30 June 2023.

### *The historical amounts*

Under the Existing Approval, the annual cap for the Maintenance Sub-contracting Arrangement for each of the three financial years ending 30 June 2023 was HK\$6,000,000, HK\$8,300,000, and HK\$10,600,000 respectively. The following table sets out the aggregate amount of service fees paid by the Group pursuant to the Maintenance Sub-contracting Arrangement during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount</b> <i>(HK\$)</i>
Financial year ended 30 June 2021	4,152,000
Financial year ended 30 June 2022	3,541,000
Six-month period ended 31 December 2022	1,819,000

### *Maintenance Sub-contracting Arrangement Annual Caps and basis of caps*

The Maintenance Sub-contracting Arrangement Annual Caps are set out below:

	<b>For the financial year ending 30 June</b>		
	<b>2024</b> <i>(HK\$)</i>	<b>2025</b> <i>(HK\$)</i>	<b>2026</b> <i>(HK\$)</i>
Service fees pursuant to the Maintenance Sub-contracting Arrangement	5,900,000	8,400,000	14,400,000

The Maintenance Sub-contracting Arrangement Annual Caps are determined with reference to the projected level of demand for and scale of services to be provided by members of the Group under the Maintenance Arrangement and the anticipated level of fees at which the SHKP Group may charge in respect of the services under the Maintenance Sub-contracting Arrangement. As mentioned in section 2(ii)B above, the level of demand for and scale of services pursuant to the Maintenance Arrangement are expected to increase and as such, it is expected that the level of demand for and scale of services pursuant to the Maintenance Sub-contracting Arrangement will also increase. This gives rise to the projected increase in the amount of service fees which may be payable by the Group pursuant to the Maintenance Sub-contracting Arrangement as compared with the amounts paid by the Group during the Relevant Historical Periods.

---

## LETTER FROM THE BOARD

---

The Maintenance Sub-contracting Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) confirm that the Maintenance Sub-contracting Arrangement has been and will continue to be negotiated on an arm’s length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) further confirm that in respect of the pricing and payment terms for the services provided, for those services where there are available market rates for comparable services (taking into account factors such as the scale and quality of services required and the time frame for provision of such services), the pricing and payment terms have been and will continue to be no less favourable to the Group than the pricing and payment terms that may be offered by the Group to other independent third party service providers of the Group for such services.

### *Internal Controls*

For the pricing terms under the Maintenance Sub-contracting Arrangement, the authorised persons of the relevant project teams are responsible for supervising and monitoring compliance with the internal control procedures under the purchase control procedures.

The Group’s internal audit department regularly conducts sample checking of the transactions under the Maintenance Sub-contracting Arrangement to ensure the efficiency and effectiveness of the relevant internal control procedures.

According to the Group’s internal control procedures, the Group is required to solicit quotations/tenders for similar products and services from at least two independent third parties (depending on the estimated contract value) from its approved contractor list, where possible. The Group will select the contractor which offers the most attractive terms taking into account all relevant factors including but not limited to price, quality of work and schedule of completion. Through these internal control procedures, the Group will ensure that the price to be paid by the Group to the SHKP Group under the Maintenance Sub-contracting Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties.

As mentioned above, there are situations where the Group will charge as part of the service fees payable by the SHKP Group under the Maintenance Arrangement at a certain percentage markup. The Group’s internal audit department conducts sample checking of the markup of the sub-contracting costs of works under the Maintenance Sub-contracting Arrangement to ensure such markup charged as part of the service fees payable by the SHKP Group under the Maintenance Arrangement is fair and reasonable and comparable to the markup in similar transactions of the Group.



---

## LETTER FROM THE BOARD

---

The finance department of the Group monitors the transaction amounts on a monthly basis and the internal audit department of the Group reviews the transaction amounts regularly to ensure that timely alert will be made to the management whenever the aggregate transactions amount is likely to exceed the approved annual caps.

### (iii) REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS

The Group has entered into and will continue to enter into the Continuing Connected Transactions because they are part of the principal business activities of the Group or are relevant to such principal business activities. The Group has contracted with the SHKP Group for each of the Continuing Connected Transactions because the Group and the SHKP Group are able to meet the respective requirements of each other. For the aforesaid reasons and also taking into account, among other things, the experience of and relationship between the Group and the SHKP Group developed through transactions undertaken in the past, the Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) consider that the entering into of each of the Continuing Connected Transactions is in the commercial interest of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) consider that the Continuing Connected Transactions have been and will be conducted in the ordinary and usual course of business of the Group and on an arm’s length basis, on normal commercial terms or on terms no less favourable to the Group than those available from or to independent third parties (as the case may be), and are fair and reasonable and in the interests of the Shareholders as a whole. The Directors (excluding the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” set out on pages 26 to 27 of this circular) also consider that the CCTs Annual Caps are fair and reasonable.

### 3. LISTING RULES IMPLICATIONS

#### **Relationship with SHKP**

As at the Latest Practicable Date, SHKP is a substantial Shareholder indirectly holding an aggregate of 1,720,026,500 Shares, representing approximately 73.54% of the entire issued share capital of the Company. As such, SHKP and its associates are connected persons of the Company under the Listing Rules for so long as SHKP remains a substantial Shareholder.

#### **Continuing Connected Transactions**

It is anticipated that the revenue ratio set out in Rule 14.07 of the Listing Rules in respect of each of (i) the System and Networking Arrangement and the System and Networking Sub-contracting Arrangement, which are required to be aggregated under Rule 14A.81 of the Listing Rules; and (ii) the Maintenance Arrangement and the Maintenance Sub-contracting Arrangement, which are required to be aggregated under Rule 14A.81 of the Listing Rules, on an annual basis will be more than 5% but will be less than 25%, such transactions will constitute non-exempt continuing



---

## LETTER FROM THE BOARD

---

connected transactions of the Company under Chapter 14A of the Listing Rules. The Continuing Connected Transactions are subject to the reporting, announcement, annual review and the Independent Shareholders' Approval requirements under Chapter 14A of the Listing Rules.

Accordingly, the Company will seek the Independent Shareholders' Approval (by way of poll) for the Group to conduct each category of the Continuing Connected Transactions for the period from 1 July 2023 to 30 June 2026 on the condition that each category of these transactions (when separately aggregated) shall not exceed its respective CCTs Annual Caps set out below:

Category of the Continuing Connected Transactions	CCTs Annual Caps for the financial year ending 30 June		
	2024 (HK\$)	2025 (HK\$)	2026 (HK\$)
A. System and Networking Arrangement	179,700,000	218,300,000	306,600,000
B. Maintenance Arrangement	74,400,000	84,800,000	96,600,000
C. System and Networking Sub-contracting Arrangement	17,700,000	21,700,000	43,100,000
D. Maintenance Sub-contracting Arrangement	5,900,000	8,400,000	14,400,000

If there are any material changes in any terms of the New Agreements or any of the CCTs Annual Caps are exceeded, the Company will comply with the applicable requirements under the Listing Rules, unless the Company reports to the Stock Exchange and is granted an exemption.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the Continuing Connected Transactions, and they have therefore abstained from voting on the Board resolutions approving the Continuing Connected Transactions. As Mr. Cheung Wing-yui is a consultant of the firm of solicitors which provides professional services to the Company in relation to the Continuing Connected Transactions, he has also abstained from voting on the Board resolutions approving the Continuing Connected Transactions to avoid potential conflicts of interests. Likewise, as Mr. David Norman Prince, Mr. Siu Hon-wah, Thomas and Ms. Lau Yeuk-hung, Fiona hold certain posts in the SHKP Group, they have also abstained from voting on the Board resolutions approving the Continuing Connected Transactions to avoid potential conflicts of interests.

#### 4. INDEPENDENT SHAREHOLDERS' APPROVAL IN RESPECT OF THE CONTINUING CONNECTED TRANSACTIONS

Ordinary resolutions will be proposed at the EGM to approve (by way of poll) the Continuing Connected Transactions together with the CCTs Annual Caps therefor as mentioned above. Pursuant to Rule 14A.70(12) of the Listing Rules, any Shareholder with a material interest in the Continuing Connected Transactions is required to abstain from voting on the respective ordinary resolutions for approving the same. As such, SHKP and its associates are required to abstain from voting on the ordinary resolutions for approving the Continuing Connected Transactions at the EGM.

---

## LETTER FROM THE BOARD

---

As far as the Company was aware, having made all reasonable enquiries, as at the Latest Practicable Date:

- (a) SHKP (through its associates) controlled or were entitled to exercise control over the voting right in respect of their respective Shares;
- (b)
  - (i) there were no voting trusts or other agreements or arrangements or understanding (other than an outright sale) entered into by or binding upon any of SHKP or its associates;
  - (ii) there were no obligations or entitlements of SHKP or its associates,

whereby it/they had or might have temporarily or permanently passed control over the exercise of the voting rights in respect of its/their Shares to a third party, either generally or on a case-by-case basis; and

- (c) there is no discrepancy between the beneficial shareholding interest of SHKP or its associates in the Company as disclosed in this circular and the number of Shares in respect of which it/they will control or will be entitled to exercise control over the voting rights at the EGM where ordinary resolutions will be proposed to approve the Continuing Connected Transactions together with the CCTs Annual Caps.

An Independent Board Committee has been appointed to advise the Independent Shareholders on whether the terms of the Continuing Connected Transactions together with the CCTs Annual Caps therefor are fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Continuing Connected Transactions.

### 5. GENERAL

The principal activity of the Company is investment holding. The Group's principal business activities include the provision of data centre, facilities management and value-added services, and installation and maintenance services.

The principal activities of the SHKP Group are the development of and investment in properties for sale and rent, hotel operations, telecommunications, transport infrastructure and logistics.

### 6. EGM

The EGM will be convened by the Company at 4th Floor and 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on Wednesday, 21 June 2023 at 12:00 noon for the purposes of considering and, if thought fit, approving the Continuing Connected Transactions together with the CCTs Annual Caps therefor, and the notice of the EGM is set out in this circular. As at the Latest Practicable Date, SHKP (through its associates) is interested in approximately 73.54% of the entire issued share capital of the Company. As such, the associates of SHKP which hold shares in the

---

## LETTER FROM THE BOARD

---

Company are required to abstain from voting on the resolutions at the EGM. To the best of the Directors' knowledge, none of the other Shareholders is materially interested in the Continuing Connected Transactions and required to abstain from voting on the resolutions to be proposed at the EGM.

### 7. RECOMMENDATION

Having taken into account the factors as disclosed above in section 2(iii) headed “**REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS**”, the Directors (including the independent non-executive Directors whose views are set out in the “**Letter from the Independent Board Committee**” in this circular after taking into consideration the advice from the Independent Financial Adviser) consider that the Continuing Connected Transactions have been and will be conducted in the ordinary and usual course of business of the Group and on an arm's length basis, on normal commercial terms or on terms no less favourable to the Group than those available from or to independent third parties (as the case may be), and are fair and reasonable and in the interests of the Shareholders as a whole. Therefore, the Directors recommend that the Independent Shareholders should vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Continuing Connected Transactions together with the CCTs Annual Caps therefor.

### 8. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 26 to 27 of this circular, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 28 to 41 of this circular, and the information set out in the appendix on pages 42 to 58 of this circular.

Yours faithfully,  
By order of the Board  
**SUNEVISION HOLDINGS LTD.**  
**Lau Bonnie**  
*Company secretary*

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

*The following is the text of a letter from the Independent Board Committee, setting out its recommendation to the Independent Shareholders in relation to the Continuing Connected Transactions, which has been prepared for the purpose of inclusion in this circular.*



sunEvision

**SUNEVISION HOLDINGS LTD.**

**新意網集團有限公司**

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

**(Stock Code: 1686)**

24 May 2023

*To the Independent Shareholders*

Dear Sir/Madam,

### **RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular of the Company dated 24 May 2023 issued to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As members of the Independent Board Committee, we have been appointed by the Board to advise the Independent Shareholders on whether the terms of the Continuing Connected Transactions together with the CCTs Annual Caps therefor are fair and reasonable so far as the Independent Shareholders are concerned. Details of the Continuing Connected Transactions are set out in the text of the letter from the Board as set out on pages 5 to 25 of the Circular.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser as set out on pages 28 to 41 of the Circular which contains, among others, its advice and recommendation to us as regards the terms of the Continuing Connected Transactions together with the principal factors and reasons for its advice and recommendation.

Having considered, among other matters, the factors and reasons considered by, and the opinions of, the Independent Financial Adviser as stated in its aforementioned letter of advice, we consider that the Continuing Connected Transactions have been and will be conducted in the ordinary and usual course of business of the Group and on an arm’s length basis, on normal commercial terms or on terms no less favourable to the Group than those available from or to independent third parties (as the case may be),

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

and are fair and reasonable and in the interests of the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Continuing Connected Transactions together with the CCTs Annual Caps therefor.

Yours faithfully,  
Independent Board Committee  
**SUNEVISION HOLDINGS LTD.**

**Li On-kwok, Victor**  
**Lee Wai-kwong, Sunny**

**King Yeo-chi, Ambrose**  
**Cheng Ka-lai, Lily**  
*Independent Non-Executive Directors*

**Wong Kai-man**  
**Leong Kwok-kuen, Lincoln**

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*The following is the full text of a letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions, which has been prepared for the purpose of inclusion in this circular.*



### SOMERLEY CAPITAL LIMITED

20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

24 May 2023

*To: The Independent Board Committee and the Independent Shareholders of  
SUNeVision Holdings Ltd.*

Dear Sir/Madam,

## RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS

### INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Continuing Connected Transactions entered into between the Company and SHKP, details of which are set out in the letter from the Board contained in the circular of the Company to the Shareholders and, for information only, the noteholders of the Company dated 24 May 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless the context requires otherwise.

As (i) SHKP is a substantial Shareholder and thus a connected person of the Company; and (ii) the revenue ratio set out in Rule 14.07 of the Listing Rules in respect of each of (a) the System and Networking Arrangement and the System and Networking Sub-contracting Arrangement, which are required to be aggregated under Rule 14A.81 of the Listing Rules; and (b) the Maintenance Arrangement and the Maintenance Sub-contracting Arrangement, which are required to be aggregated under Rule 14A.81 of the Listing Rules, on an annual basis will be more than 5%, such transactions will constitute non-exempt continuing connected transactions of the Company under Chapter 14A and are subject to reporting, announcement, annual review and Independent Shareholders' Approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Professor Li On-kwok, Victor, Professor King Yeo-chi, Ambrose, Mr. Wong Kai-man, Mr. Lee Wai-kwong, Sunny, Ms. Cheng Ka-lai, Lily and Mr. Leong Kwok-kuen, Lincoln, has been formed to advise the Independent Shareholders as to whether the terms of the Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and on how they should vote at the EGM. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We are not associated with the Company, SHKP or their respective substantial shareholders or associates and accordingly are considered eligible to give independent advice on the above matters. Apart from the normal professional fees payable to us in connection with this and similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, SHKP or their respective substantial shareholders or associates.

As at the Latest Practicable Date, there were no relationships or interests between Somerley on one hand and the Group, SHKP and their respective substantial shareholders and/or associates on the other hand that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and Independent Shareholders in connection with the Continuing Connected Transactions.

In formulating our opinion, we have reviewed, amongst other things, the New Agreements, the previous agreements governing the transactions under the System and Networking Arrangement, the Maintenance Arrangement, the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement entered into by the Company and SHKP on 5 May 2020, the annual report of the Company for the year ended 30 June 2022 (the “**Annual Report**”), the interim report of the Company for the six months ended 31 December 2022 (the “**Interim Report**”) and the information contained in the Circular. We have also discussed with and reviewed information provided by the management of the Group regarding the businesses of the Group and the rationale of entering into of the Continuing Connected Transactions.

We have relied on the information and facts supplied, and the opinions expressed to us, by the management of the Group and have assumed that they are true, accurate and complete and will remain true, accurate and complete up to the time of the EGM. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth or accuracy of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice and recommendation with regard to the New Agreements, and the CCTs Annual Caps, we have taken into account the principal factors and reasons set out below:

#### 1. Background for entering into the Continuing Connected Transactions

The Group’s main business activities include the provision of data centre, facilities management and value-added services, and installation and maintenance services. The Group has contracted with the SHKP Group for each of the Continuing Connected Transactions with the SHKP Group for many years as the Group and the SHKP Group are able to meet the respective requirements of each other. As the previous agreements governing the transactions under the System and Networking Arrangement, the Maintenance Arrangement, the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement entered into by

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

the Company and SHKP on 5 May 2020 will expire on 30 June 2023, the Group intends to continue the transactions with the SHKP Group and entered into the New Agreements on 3 May 2023 for a term of three years from 1 July 2023 to 30 June 2026 subject to Independent Shareholders' Approval at the EGM.

Under the System and Networking Arrangement, members of the Group have been providing and will continue to provide services to members of the SHKP Group in connection with (i) the design, supply, installation, operation and provision of ELV and IT systems (including but not limited to SMATV/CABD, access control, car park control and other security systems); and (ii) the laying of cable network (including but not limited to voice and data network, building services access and power supply), optical fiber network, broadband network and other IT infrastructure networks in buildings owned and/or managed by the SHKP Group on a project basis. The Group has charged and will continue to charge the relevant members of the SHKP Group service fees for the provision of such services.

Under the Maintenance Arrangement, members of the Group have been engaged and will continue to be engaged by members of the SHKP Group to carry out maintenance and repair works for (i) ELV and IT systems (including but not limited to SMATV/CABD, access control, car park control and other security systems); and (ii) cable network (including but not limited to voice and data network, building services access and power supply), optical fiber network, broadband network and other IT infrastructure networks in buildings owned and/or managed by the SHKP Group on a project basis. The Group has charged and will continue to charge the relevant members of the SHKP Group fees for services provided under the Maintenance Arrangement.

In connection with the System and Networking Arrangement and the Maintenance Arrangement, the Group has been engaged and will continue to be engaged as the main contractor by the SHKP Group on a project basis. Depending on the capacity and capability of the Group, not all of the works involved are performed by members of the Group directly and the Group will, by performing the project supervision role, need to sub-contract part of the works involved in the individual projects to other sub-contractors which include certain members of the SHKP Group, such as those under the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement. The relevant members of the SHKP Group have charged and will continue to charge the relevant members of the Group fees for the provision of such services.

### **2. Reasons for and benefits of entering into the Continuing Connected Transactions**

We have discussed with and are advised by the management of the Group that the Continuing Connected Transactions are part of the principal business activities of the Group or are relevant to such principal business activities which have been conducted for many years as each of the Group and the SHKP Group is able to meet the requirements of the other party. In addition, according to the management of the Group, the revenue generated from the transactions under the System and Networking Arrangement and the Maintenance Arrangement is recorded under the ELV and IT systems segment of the Group.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Set out below are the revenue generated from the transactions under the System and Networking Arrangement and the Maintenance Arrangement and the revenue generated from the ELV and IT system segment of the Group for the years ended 30 June 2021 and 2022 and six months ended 31 December 2022.

	<b>For the year ended 30 June</b>		<b>For the six months ended</b>
	<b>2021</b>	<b>2022</b>	<b>31 December 2022</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(A) Revenue generated from the transactions under the System and Networking Arrangement and the Maintenance Arrangement	119,328	135,779	84,373
(B) Revenue generated from the ELV and IT system segment of the Group	127,966	145,423	89,376
(A)/(B) = (C)	93.25%	93.37%	94.40%

We noted from the above table that the System and Networking Arrangement and the Maintenance Arrangement accounted for over 90% of the Group's ELV and IT system segment for the past two and a half years.

In respect of the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement, the Group has been and will continue to be engaged as the SHKP Group's main contractor on certain projects. We are advised by the management of the Group that it is normal and common for a main contractor to sub-contract certain part of the work in a project to other sub-contractors in the industry and it happens that these sub-contractors include certain members of the SHKP Group. The Group could only sub-contract certain part of the project work to members of the SHKP Group to fulfil its contractual obligations under the System and Networking Arrangement and the Maintenance Arrangement if those members of the SHKP Group are the only qualified or the best qualified sub-contractors.

Having considered that (i) the abovementioned installation and maintenance services are part of the Group's principal businesses or are relevant to such principal business activities; (ii) the sub-contracting arrangements under the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement are normal and common market practice and are conducted/will be conducted for the purpose of completing the required works under the System and Networking Arrangement and the Maintenance Arrangement; and (iii) the revenue generated from the System and Networking Arrangement and the Maintenance Arrangement accounted for a substantial portion of the revenue of the Group's ELV and IT system segment, we concur with the view of the Directors that the entering into of the Continuing Connected Transactions is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 3. Principal terms of the Continuing Connected Transactions

Set out below is a summary of the principal terms and pricing policy of the Continuing Connected Transactions.

<b>Framework agreements relating to:</b>	<b>System and Networking Arrangement</b>	<b>Maintenance Arrangement</b>	<b>System and Networking Sub-contracting Arrangement</b>	<b>Maintenance Sub-contracting Arrangement</b>
<b>Date:</b>	3 May 2023			
<b>Parties:</b>	The Company (as main contractor) and SHKP (as project owner)		The Company (as main contractor); and SHKP (as sub-contractor)	
<b>Term:</b>	From 1 July 2023 to 30 June 2026 (both days inclusive), subject to Independent Shareholders' Approval at the EGM			
<b>Nature of the transaction:</b>	The Company agrees to procure relevant members of the Group to act, as the main contractor, for the provision of design, supply, installation, operation and provision of systems and networking on a project basis by the Group for buildings owned and/or managed by the SHKP Group	The Company agrees to procure relevant members of the Group to act, as the main contractor, for the provision of maintenance and repair of systems and networking on a project basis by the Group for buildings owned and/or managed by the SHKP Group	SHKP agrees to procure relevant members of the SHKP Group to provide services in connection with the System and Networking Arrangement to relevant members of the Group	SHKP agrees to procure relevant members of the SHKP Group to provide services in connection with the Maintenance Arrangement to relevant members of the Group

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Framework agreements relating to:	System and Networking Arrangement	Maintenance Arrangement	System and Networking Sub-contracting Arrangement	Maintenance Sub-contracting Arrangement
<b>Pricing and payment terms:</b>	Relevant members of the Group and of the SHKP Group will enter into separate agreements which set out the detailed terms of each transaction which shall be negotiated on an arm's length basis and on normal commercial terms, and in any event, on terms that are no less favourable to the Group than terms that may be offered to the Group by independent customers		Relevant members of the Group and of the SHKP Group will enter into separate agreements which set out the detailed terms of each transaction which shall be negotiated on an arm's length basis and on normal commercial terms, and in any event, on terms that are no less favourable to the Group than terms that may be offered by the Group to its independent service providers (or where member(s) of the SHKP Group is/are the only supplier(s), on terms that are no less favourable to the Group than those which are provided by such member(s) of the SHKP Group to its/their independent customers)	

For details of the terms of the New Agreements, please refer to the letter from the Board.

***In respect of the System and Networking Arrangement and the Maintenance Arrangement***

*The Group's pricing strategy*

We are advised by the management that the Group has adopted a standard pricing strategy for both system and networking services and maintenance services which are applicable to all customers (including members of the SHKP Group). As stated in the letter from the Board, the Group will first ascertain from its suppliers and sub-contractors the prime costs of materials and labour for providing similar products and services and for undertaking similar jobs and projects, and then provide a certain percentage markup before submitting the same to the SHKP Group for its consideration. The markup, which is not a term of the New Agreements, will not be less than 5% for the System and Networking Arrangement and 15% for the Maintenance Arrangement as the minimum markup percentages adopted by the Group for prices charged in similar transactions with independent third parties for such services. The markup will be determined by the Group on a case by case basis when the definitive agreement governing the terms of the relevant transaction pursuant to the System and Networking Arrangement or the Maintenance Arrangement (as the case may be) is entered into, and will not be less than the aforesaid percentage to ensure that the price is fair and reasonable and competitive for being awarded the contracts under the System and Networking Arrangement and the Maintenance Arrangement (as the case may be) and that the price is also comparable to the price charged by the Group in similar transactions involving independent third parties for such services.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### *The SHKP Group's service providers selection process*

As stated in the letter from the Board, the Group has been informed by the SHKP Group that in deciding which service provider is to be engaged, the SHKP Group may invite bidders for the services required by it and will then select bidders whom it considers are able to offer the most attractive terms for the services concerned taking into account all relevant factors including the price, the quality of work and the schedule of completion offered by the service providers.

### *The Group's internal audit*

The Group's internal audit department performs periodic reviews (on a semi-annual basis) and conducts sample checking.

In relation to the transactions under the System and Networking Arrangement, to ensure that the pricing of the transactions under the System and Networking Arrangement strictly adheres to the pricing strategy and is comparable to the prices charged by the Group to independent third parties for similar transactions, and on terms no less favourable to the Group than those offered to the Group by other independent third parties for similar transactions, the internal audit department of the Group compares the terms, in particular, pricing and profit margin of the transactions with connected persons and with independent third parties respectively and checks whether the profit margin is in line with the Group's historical profit margins for similar transactions.

In relation to the transactions under the Maintenance Arrangement, to ensure the terms in force with and the fee charged by the Group to connected persons are comparable to those in force with and charged by the Group to independent third parties for similar transactions, the internal audit department of the Group compares the terms, in particular, profit margin of the transactions with connected persons and with independent third parties respectively.

### *Our work done*

We have reviewed the New Agreements in respect of the System and Networking Arrangement and the Maintenance Arrangement and are of the view that the terms set out therein are materially the same as those under the previous agreements entered into by the parties on 5 May 2020.

In addition, we have obtained and reviewed (i) the latest review report on, among other things, the System and Networking Arrangement and the Maintenance Arrangement prepared by the internal audit department of the Group (the "**IA Report**"); and (ii) transaction documents of 10 projects on a random selection basis (five projects entered into with each of the SHKP Group and independent third parties) including but not limited to project cost reports and work/purchase orders, under each of the System and Networking Arrangement and the Maintenance Arrangement for the period from 1 July 2020 to 31 December 2022.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We have discussed with and are advised by the management of the Group that for the System and Networking Arrangement, in determining the proposed contract price for tendering the project, the Group does not only take into account the project's expected profit margins and/or profit contribution but also other factors such as the overall scale and size of the project, the amount of the contract sum, complexity of the work involved, the then market competition and availability of resources of the Group. In addition, according to the management of the Group, the profit margins may be subject to change before the closing of the project possibly due to the change in design, cost savings on materials and sub-contracting during the project progress. Nevertheless, in the case where there are variations in the work scope that are not specified in the contract(s) or when there are changes in the specifications, additional charges would be charged by the Group which in turn would affect the project's final profit margin and/or profit contribution.

Based on the samples relating to transactions under the System and Networking Arrangement and the Maintenance Arrangement which we have reviewed, we noted that despite the profit margin varied case by case attributable to the factors mentioned above, (i) the pricing strategy of the transactions entered into with connected persons and those entered into with independent third parties are the same as aforementioned; (ii) the profit margins of the transactions entered into with connected persons were no less favourable to the Group as compared to those entered into with independent third parties which is consistent to the result as concluded in the IA Report; and (iii) the payment terms of the system and networking and maintenance contracts entered into with connected persons were comparable to those entered into with independent third parties.

### ***In respect of the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement***

#### *Pricing and internal control procedure relating to sub-contracting arrangements*

We have reviewed and discussed with the management of the Group on the internal control procedures relating to procurement of sub-contractors (including members of the SHKP Group). The Group is required to solicit quotations/tenders for similar products and services from at least two independent third parties (depending on the estimated contract value) from its approved list of contractors, where possible and select the contractor which offers the most attractive terms taking into account all relevant factors including but not limited to price, quality of work and schedule of completion. Through these internal control procedures, the Group will ensure that the price to be paid by the Group to the SHKP Group under the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties.

Under the System and Networking Arrangement, the SHKP Group as the project owner may prescribe a specific type or brand of products or systems to be used, which are exclusively supplied by the respective sole agents in Hong Kong (which include, but are not limited to, members of the SHKP Group). In addition, there are situations where the products or systems requiring maintenance or repair are exclusively supplied by the respective sole agents in Hong Kong (which include, but are not limited to, members of the SHKP Group). In such cases, the Group will ascertain from the suppliers of the relevant products or systems for the prime costs of materials

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

and labour which they will charge for undertaking the relevant works under the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement, and the Group will then charge as part of the service fees payable by the SHKP Group under the System and Networking Arrangement and the Maintenance Arrangement at a certain percentage markup. SHKP has agreed that the terms, including the pricing, upon which such products, systems and services are provided by the relevant member(s) of the SHKP Group to the relevant member(s) of the Group will be no less favourable to the relevant member(s) of the Group than those upon which they are provided by such member(s) of the SHKP Group to other independent third parties.

According to the management of the Group, despite there are certain historical transactions under the System and Networking Sub-contracting Arrangement relating to the specific type or brand of products or systems which were exclusively supplied by the members of the SHKP Group and thus no comparable transactions are available, the Group has onward built in such sub-contracting fee payable to the members of the SHKP Group under the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement when determining the proposed contract price under the System and Networking Arrangement and the Maintenance Arrangement.

### *The Group's internal audit*

As advised by the management of the Group, the Group's internal audit department performs periodic reviews (on a semi-annual basis) and conducts sample checking of the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement to ensure the efficiency and effectiveness of the relevant internal control procedures.

### *Our work done*

We have reviewed the New Agreements in respect of the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement and are of the view that the terms set out therein are materially the same as those under the previous agreements entered into by the parties on 5 May 2020.

In respect of the System and Networking Sub-contracting Arrangement, we have reviewed and obtained transaction documents relating to (i) five system installation related projects which exclusively supplied by the SHKP Group; and (ii) five system installation related projects which exclusively supplied by independent third parties, including but not limited to project cost reports and quotations, for the period from 1 July 2020 to 31 December 2022.

In respect of the Maintenance Sub-contracting Arrangement, we have reviewed and obtained transaction documents relating to maintenance services related projects entered into with the SHKP Group and independent third party (each five sample transactions) including but not limited to project cost reports and quotations/contracts, for the period from 1 July 2020 to 31 December 2022.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Based on the samples that we have reviewed, we noted that (i) the sub-contracting costs were taken into consideration in the proposed contract price charged by the Group for the System and Networking Arrangement and the Maintenance Arrangement; (ii) the profit margins of the transactions under the System and Networking Arrangement and the Maintenance Arrangement (after having taken into account the sub-contracting cost of installation and maintenance services) entered into with connected persons were no less favourable to the Group as compared to those entered into with independent third parties; and (iii) the payment terms of the system and networking and maintenance sub-contracting contracts entered into with connected persons were comparable to those entered into with independent third parties.

In addition, we have reviewed the IA Report and noted that (i) the average profit margin of sample transactions entered into with the SHKP Group under the System and Networking Sub-contracting Arrangement for the period from 1 July 2022 to 31 December 2022 was higher than the profit margin of the related business segment for FY2021/22; and (ii) the average profit margin of sample transactions entered with the SHKP Group under the Maintenance Sub-contracting Arrangement for the period from 1 July 2022 to 31 December 2022 was higher than the average profit margin of the comparable sample transactions entered with independent third parties for the same period.

In the case where specific type or brand of products or systems were exclusively supplied by members of the SHKP Group, even though the Group was unable to solicit quotations/tenders for similar products and systems from independent third parties, the cost of purchasing such products or systems was included in the project contract price under the System and Networking Arrangement and the Maintenance Arrangement and was subject to the Group's pricing strategy, we concur with the view of the management of the Group that the absence of tendering process or price comparison has not impaired the interests of the Company and its Shareholders.

#### **4. The CCTs Annual Caps**

We have discussed with the management of the Group on the utilisation of annual caps for FY2020/21 – FY2022/23 and are advised that the revenue generated under the System and Networking Arrangement and the Maintenance Arrangement was lower than expected when determining the caps back in first half of 2020, largely due to delay in projects and decrease in demand for services under COVID-19 pandemic. Given the fact that the transactions under the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement are highly correlated to the System and Networking Arrangement and the Maintenance Arrangement, the fees charged under the sub-contracting arrangements were also lower than expected. Set out below are (i) the revenue generated by the Group under the System and Networking Arrangement and the Maintenance Arrangement and the fees charged by the SHKP Group under the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement for each of the two years ended 30 June 2022 and the six months ended 31 December 2022 and the related historical annual cap amounts; and (ii) the CCTs Annual Caps for each of the three years ending 30 June 2026.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

		For the year ended 30 June		For the six months ended 31 December	For the year ending 30 June		
		2021	2022	2022	2024	2025	2026
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue generated under</b>							
System and Networking Arrangement	Actual transaction amount	57,913	81,066	55,774	NA	NA	NA
	Historical/proposed annual cap amount	100,200	132,800	212,700	179,700	218,300	306,600
Maintenance Arrangement	Actual transaction amount	61,415	54,713	28,599	NA	NA	NA
	Historical/proposed annual cap amount	76,900	87,300	99,200	74,400	84,800	96,600
<b>Fee charged under</b>							
System and Networking Sub-contracting Arrangement	Actual transaction amount	4,169	4,483	1,448	NA	NA	NA
	Historical/proposed annual cap amount	9,000	15,200	22,200	17,700	21,700	43,100
Maintenance Sub-contracting Arrangement	Actual transaction amount	4,152	3,541	1,819	NA	NA	NA
	Historical/proposed annual cap amount	6,000	8,300	10,600	5,900	8,400	14,400

### ***In respect of the System and Networking Arrangement Annual Caps***

We have discussed the basis of the System and Networking Arrangement Annual Caps as set out in the letter from the Board with the management of the Group and are advised that there are many newly developed technologies and related facilities available in the market from time to time, thus leading to new installations and/or upgrading of existing systems for service quality improvements. Furthermore, the increase in the demand for and scale of luxurious accommodation will generally raise the demand for and scale of the installation of advanced technologies and related facilities in such accommodation. As such, it is expected that the service fees to be charged under the System and Networking Arrangement will increase in alignment with the upward trend of the level of demand for and scale of such services and will also correspond to the projected level of completion of such services as required by members of the SHKP Group.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We have reviewed the calculation of the System and Networking Arrangement Annual Caps and noted that the proposed annual caps are mainly comprised of estimated revenue from (i) existing projects that had already been awarded to the Group by the SHKP Group and two tendering projects; (ii) potential new projects to be awarded to the Group by the SHKP Group; and (iii) potential special projects relating to the addition and alteration works to be awarded to the Group by the SHKP Group.

For existing projects that had already been awarded by the SHKP Group and two tendering projects, the estimated revenue was arrived at based on the actual/proposed contract amount of each project multiplied by the estimated percentage of completion of the project. The Group has also built in an estimation of certain percentage for existing projects to accommodate any additional variation of orders after having considered the average additional variation of orders in recent years.

For potential new projects to be awarded by the SHKP Group, the estimated revenue was arrived at based on (i) the highest gross floor area planned to complete by the SHKP Group in Hong Kong in FY2022/23 to FY2024/25; (ii) the successful bid rate of the Group in respect of the SHKP Group's projects for this financial year; (iii) the revenue per gross floor area relating to recent services provided under the System and Networking Arrangement; and (iv) the projected progress of new projects based on the Group's past experience on similar projects.

For potential special projects relating to the addition and alteration works to be awarded to the Group by the SHKP Group, we are advised by the management of the Group that these special projects are ad hoc in nature and are difficult to forecast, and the historical revenue generated from special projects had been sizeable in recent years. Thus, the management of the Group made reference to the historical revenue generated from special projects and adopted the highest amount in the past five years as the forecast amount for FY2023/24 having also taken into account the inflation and potential growth to allow flexibility to the Group's business operation and accommodate unexpected increase in number of projects and additional variation of works. The management of the Group applied an annual growth rate of 15% for projecting service fees relating to the potential special projects payable by the SHKP Group for each of FY2024/25 and FY2025/26. We have reviewed the Group's revenue growth rate prior to the outbreak of COVID-19 (i.e. 15.2% for FY2016/17, 20.6% for FY2017/18 and 19.7% for FY2018/19) and considered the adopted growth rate to be reasonable.

### *In respect of the Maintenance Arrangement Annual Caps*

We have discussed the basis of the Maintenance Arrangement Annual Caps as set out in the letter from the Board with the management of the Group and are advised that they expect the level of demand for and scale of such services will increase as more systems are or will be installed pursuant to the System and Networking Arrangement and as a result of fair wear and tear of the existing systems under maintenance, and also due to the expected increase in the frequency and extent of routine maintenance and repair works which may be required on the systems and networks installed.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As advised by the management of the Group, the provision of recurring maintenance services and one-off maintenance services accounted for around 90% of the Group's revenue generated under the Maintenance Arrangement. Thus, the Group determined the Maintenance Arrangement Annual Caps principally with reference to the historical revenue generated from provision of the said services and adopted the highest amount in the past five years as the projected amount for FY2023/24 having also taken into account the inflation and potential growth to allow flexibility to the Group's business operation and accommodate the possible increase in demand for maintenance services as a result of the increase in demand for installation services. The management of the Group applied an annual growth rate of 15% for projecting service fees relating to the said services payable by the SHKP Group for each of FY2024/25 and FY2025/26. Having considered the Group's revenue growth rate prior to the outbreak of COVID-19, we consider the adopted growth rate to be reasonable.

### *In respect of the System and Networking Sub-contracting Arrangement Annual Caps*

We have discussed the basis of the System and Networking Sub-contracting Arrangement Annual Caps as set out in the letter from the Board with the management of the Group and are advised that reference has been made to (i) the forecast revenue under the System and Networking Arrangement, and the engagement of members of the SHKP Group as the Group's sub-contractors due to either the uniqueness of their certain existing and new products and services or the specifications of services or products as required by the SHKP Group as project owner; and (ii) the costs to be incurred in sub-contracting of work for special projects.

Based on the projection provided by the Group and our discussion with the management of the Group, the projected sub-contracting fees payable for the System and Networking Arrangement (excluding special projects) are largely attributable to the adoption of the products exclusively supplied by the SHKP Group which have been arrived at based on (i) the committed amounts under the existing sub-contracting contracts; (ii) the historical proportion of sub-contracting work under the System and Networking Arrangement (excluding special projects) in the recent financial years; (iii) the level of demand for sub-contracting work by the Group in relation to new projects to be awarded; and (iv) the projected project progress based on the Group's past experience on similar projects.

For sub-contracting fees relating to potential special projects payable to the SHKP Group, as discussed above, since the potential special projects relating to the addition and alteration works are ad hoc in nature and are difficult to forecast, the management of the Group made reference to the historical sub-contracting fees paid to the SHKP Group and adopted the highest amount in the past five years as the projected amount for FY2023/24 having also taken into account the inflation and potential growth to allow flexibility to the Group's business operation and accommodate unexpected increase in number of projects and additional variation of works which in turn increases the Group's demand for sub-contracting works. The management of the Group applied an annual growth rate of 15% for projecting sub-contracting fees relating to potential special projects payable to the SHKP Group for each of FY2024/25 and FY2025/26. Having considered (i) the System and Networking Sub-contracting Arrangement is highly correlated to the System and Networking Arrangement; and (ii) the Group's revenue growth rate prior to the outbreak of COVID-19, we consider the adopted growth rate to be reasonable.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### *In respect of the Maintenance Sub-contracting Arrangement Annual Caps*

We have discussed the basis of the Maintenance Sub-contracting Arrangement Annual Caps as set out in the letter from the Board with the management of the Group and are advised that similar to the System and Networking Sub-contracting Arrangement for special projects, the highest amount of the sub-contracting fees paid to the SHKP Group in the past five years is referenced due to the impact of COVID-19 pandemic in the past two and a half years.

Based on our discussion with the management of the Group, we are advised that the proposed annual caps are principally arrived at based on (i) the highest amount for the sub-contracting of recurring maintenance services and one-off maintenance services in the past five years as the projected amount for FY2023/24 having also taken into account the inflation and potential growth and applied an annual growth rate of 15% for projecting sub-contracting fees relating to the said services payable to the SHKP Group for each of FY2024/25 and FY2025/26; and (ii) the expected additional demand for maintenance services from the SHKP Group for the projects with the respective defects liability period to be expired in coming three years which is projected based on the historical proportion of post defects liability period sub-contracting maintenance fee paid and the system and networking sub-contracting fee paid for the same products/services.

On the basis that (i) the estimated revenue generated from and fee payable relating to, amongst others, (a) the existing projects and tendering projects are based on the actual/proposed/estimated contract amount and the projected project progress; and (b) the potential new projects and special projects are arrived at with reference to the construction plan of the SHKP Group, the historical successful bid rate, the historical transaction amounts, the historical proportions between the project sum and the sub-contracting amounts and the projected project progress; and (ii) reasonable increments having taken into account the inflation and potential growth are sometimes used to accommodate any potential needs for additional installation and maintenance and related sub-contracting transactions, we consider the bases in arriving at the CCTs Annual Caps to be reasonable.

### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the Continuing Connected Transactions is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Continuing Connected Transactions are on normal commercial terms and fair and reasonable and the bases in arriving at the CCTs Annual Caps are reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM in relation to approval of the Continuing Connected Transactions and the CCTs Annual Caps.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Jenny Leung**  
*Director*

*Ms. Jenny Leung is a licensed person and a responsible officer of Somerley Capital Limited registered with the Securities and Futures Commission to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### (a) Long position in Shares and underlying Shares

Name of Director	Number of Shares held				Sub-total	Number of underlying Shares held under equity derivatives	Total	% of Shares in issue as at the Latest Practicable Date
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Kwok Ping-luen, Raymond	-	-	-	3,485,000 <sup>1</sup>	3,485,000	-	3,485,000	0.15
Fung Yuk-lun, Allen	4,000,000	-	-	-	4,000,000	8,000,000 <sup>2</sup>	12,000,000	0.51
Tong Kwok-kong, Raymond	300,000	-	-	-	300,000	10,000,000 <sup>2</sup>	10,300,000	0.44
Chan Man-yuen, Martin	12,000	-	-	-	12,000	5,790,000 <sup>2</sup>	5,802,000	0.25
Lau Yeuk-hung, Fiona	-	-	-	-	-	6,200,000 <sup>2</sup>	6,200,000	0.27
Kwok Kai-wang, Christopher	-	-	-	13,272,658 <sup>1&amp;3</sup>	13,272,658	-	13,272,658	0.57
King Yeo-chi, Ambrose	1,000	-	-	-	1,000	-	1,000	0.00
Leong Kwok-kuen, Lincoln	-	-	142 <sup>4</sup>	-	142	-	142	0.00

*Notes:*

- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 3,485,000 Shares by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such Shares represented the same interests and were therefore duplicated between them.

2. These underlying Shares held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by the Company under its share option schemes. Particulars of these share options and their movements during the period from 1 January 2023 to the Latest Practicable Date (the “Period”) were as follows:

Name of Director	Date of grant	Exercise price per share	Exercise period	Number of share options				Balance as at the Latest Practicable Date
				Balance as at 01.01.2023	Granted during the Period	Exercised during the Period	Cancelled/ Lapsed during the Period	
				<i>HK\$</i>				
Fung Yuk-lun, Allen	22.05.2019	6.688	22.05.2020 to 21.05.2024	4,000,000	–	–	–	4,000,000
	04.05.2022	6.532	04.05.2023 to 03.05.2027	4,000,000	–	–	–	4,000,000
Tong Kwok-kong, Raymond	19.06.2018	5.048	19.06.2019 to 18.06.2023	4,000,000	–	–	–	4,000,000
	05.05.2021	7.982	05.05.2022 to 04.05.2026	4,000,000	–	–	–	4,000,000
	12.01.2023	4.514	12.01.2024 to 11.01.2028	N/A	2,000,000	–	–	2,000,000
Chan Man-yuen, Martin	22.05.2019	6.688	22.05.2020 to 21.05.2024	1,790,000	–	–	–	1,790,000
	05.05.2021	7.982	05.05.2022 to 04.05.2026	2,500,000	–	–	–	2,500,000
	12.01.2023	4.514	12.01.2024 to 11.01.2028	N/A	1,500,000	–	–	1,500,000
Lau Yeuk-hung, Fiona	19.06.2018	5.048	19.06.2019 to 18.06.2023	1,500,000	–	–	–	1,500,000
	22.05.2019	6.688	22.05.2020 to 21.05.2024	1,000,000	–	–	–	1,000,000
	05.05.2021	7.982	05.05.2022 to 04.05.2026	2,500,000	–	–	–	2,500,000
	12.01.2023	4.514	12.01.2024 to 11.01.2028	N/A	1,200,000	–	–	1,200,000

*Note:*

The share options of the Company can be exercised up to 30% of the grant from the first anniversary of the date of grant, up to 60% of the grant from the second anniversary of the date of grant, and in whole or in part of the grant from the third anniversary of the date of grant.

3. Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 9,787,658 Shares by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.
4. These Shares were held by a corporation wholly-owned and controlled by Mr. Leong Kwok-kuen, Lincoln.

## (b) Long position in shares and underlying shares of associated corporations of the Company

## (i) SHKP

Name of Director	Number of shares held				Sub-total	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at the Latest Practicable Date
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of corporation)	Other interests				
Kwok Ping-luen, Raymond	188,743	1,580,000 <sup>1</sup>	-	550,237,686 <sup>2</sup>	552,006,429	-	552,006,429	19.05
Kwok Kai-wang, Christopher	110,000 <sup>3</sup>	60,000 <sup>1</sup>	-	677,191,101 <sup>2&amp;4</sup>	677,361,101	-	677,361,101	23.38
David Norman Prince	2,000	-	-	-	2,000	-	2,000	0.00
Siu Hon-wah, Thomas	-	-	-	7,000 <sup>5</sup>	7,000	-	7,000	0.00
Chan Hong-ki, Robert	100,000	-	-	-	100,000	-	100,000	0.00
Leong Kwok-kuen, Lincoln	244,154	6,000 <sup>1</sup>	255,111 <sup>6</sup>	1,124,118 <sup>7</sup>	1,629,383	-	1,629,383	0.06

## Notes:

1. These shares in SHKP were held by the spouse of the Director concerned.
2. Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 550,237,686 shares in SHKP by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.
3. These shares in SHKP were held jointly with the spouse of Mr. Kwok Kai-wang, Christopher.
4. Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 126,953,415 shares in SHKP by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.
5. These shares in SHKP were held jointly with the spouse of Mr. Siu Hon-wah, Thomas.
6. Among these shares in SHKP, 203,111 shares were held by a corporation wholly-owned and controlled by Mr. Leong Kwok-kuen, Lincoln ("Mr. Leong") and 52,000 shares were held by corporations in which Mr. Leong was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of such corporations.
7. Mr. Leong is one of the executors of an estate, which consists of 1,124,118 shares in SHKP.

(ii) *SmarTone Telecommunications Holdings Limited (“SmarTone”)*

Name of Director	Number of shares held			Number of underlying shares held under equity derivatives	Total	% of shares in issue as at the Latest Practicable Date
	Personal interests (held as beneficial owner)	Other interests	Sub-total			
Kwok Ping-luen, Raymond	–	5,162,337 <sup>1</sup>	5,162,337	–	5,162,337	0.47
Fung Yuk-lun, Allen	437,359	–	437,359	–	437,359	0.04
Kwok Kai-wang, Christopher	–	12,011,498 <sup>1&amp;2</sup>	12,011,498	–	12,011,498	1.09
Lau Yeuk-hung, Fiona	–	–	–	4,000,000 <sup>3</sup>	4,000,000	0.36

*Notes:*

- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 5,162,337 shares in SmarTone by virtue of them being beneficiaries of a discretionary trust for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.
- Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 6,849,161 shares in SmarTone by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.
- These underlying shares in SmarTone held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by SmarTone under its share option scheme.

(iii) *Each of Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher had the following interests in shares of the following associated corporations of the Company*

<b>Name of associated corporation</b>	<b>Actual shares held through corporation</b>	<b>Actual % of interests in issued shares as at the Latest Practicable Date</b>
Splendid Kai Limited <i>(commenced members' voluntary liquidation on 15 June 2022)</i>	2,500 <sup>1</sup>	25.00
Hung Carom Company Limited	25 <sup>1</sup>	25.00
Tinyau Company Limited	1 <sup>1</sup>	50.00
Open Step Limited	8 <sup>1</sup>	80.00
Vivid Synergy Limited	963,536,900 <sup>1</sup>	20.00

*Note:*

- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in these shares by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.

Save as disclosed above and so far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



### 3. COMMON DIRECTORS

The following is a list of the Directors who, as at the Latest Practicable Date, were also directors of the following company which has interests in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of Common Directors</b>	<b>Name of Company</b>
Kwok Ping-luen, Raymond	SHKP
Fung Yuk-lun Allen	
Tung Chi-ho, Eric	
Kwok Kai-wang, Christopher	
Chan Hong-ki, Robert	

### 4. COMPETING INTERESTS

Professor Li On-kwok, Victor (“**Professor Li**”), an independent non-executive Director of the Company, is a well-recognised leader in the field of information technology development and has been appointed to various positions including consultants and directors to institutions and business entities which are engaged in research, development and relevant business.

Professor Li is a co-founder and a director of Fano Labs Limited, which is a spin-off from The University of Hong Kong and an artificial intelligence company building multilingual virtual customer assistant for large enterprises, with primary clients being mostly leaders in the utility industry and property development industry. Professor Li also serves as a director of Versitech Limited, a non-profit making company and the commercial arm of The University of Hong Kong, which negotiates, executes and manages commercial business contracts and agreements on behalf of The University of Hong Kong.

Given the difference in nature of the businesses operated by the Group and those of the aforesaid institutions and companies, as at the Latest Practicable Date, none of the above institutions and companies was in any direct competition with the Group.

Save as disclosed in this section, none of the Directors or the controlling Shareholders or their respective close associates (as defined in the Listing Rules) has any business or interest which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group as at the Latest Practicable Date.

**5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

- (a) None of the Directors has entered or is proposing to enter into any service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.
- (b) On 22 May 2015, Wealth Up Development Limited (“**Wealth Up**”, a wholly-owned subsidiary of the Company) entered into a building contract (the “**2015 Building Contract**”) with Sanfield Engineering Construction Limited (the “**Main Contractor**”, a wholly-owned subsidiary of SHKP), pursuant to which the Main Contractor has agreed to carry out works, which include the construction of a high tier data centre consisting of two towers on Tseung Kwan O Town Lot No. 122 from pile cap upwards with an estimated maximum gross floor area of approximately 44,000 square metres (the “**2015 Project**”) and certain fitting-out works and all external works, at a contract sum of HK\$1,038,800,000, subject to adjustments.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the 2015 Building Contract and the transaction contemplated thereunder. Further particulars of the 2015 Building Contract were set out in the announcement of the Company dated 22 May 2015.

- (c) On 25 November 2016, Wealth Up entered into a building works and managed services agreement (the “**Building Works and Managed Services Agreement**”) with the Main Contractor in relation to works, which include the builder’s works for the enhancement of the 2015 Project at a contract sum of HK\$124,380,000, subject to adjustments.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the Building Works and Managed Services Agreement and the transaction contemplated thereunder. Further particulars of the Building Works and Managed Services Agreement were set out in the announcement of the Company dated 25 November 2016.

- (d) On 16 May 2018, iAdvantage Limited (“**iAdvantage**”, a subsidiary of the Company) entered into a project management agreement (“**Project Management Agreement**”) with Sun Hung Kai Real Estate Agency Limited (“**SHK Real Estate**”, a wholly-owned subsidiary of SHKP) for a project management fee of HK\$11,000,000 in relation to the appointment of SHK Real Estate as the project manager to generally manage, supervise and control two projects for the construction of a 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 (“**TWTL 428**”) and the revitalization of MEGA-iAdvantage located at Chai Wan (the “**Chai Wan Project**”).

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, and that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric and Chan Hong-ki, Robert are directors of both the Company and SHK Real Estate, they are regarded as materially interested in the Project Management Agreement and the transactions contemplated thereunder. Further particulars of the Project Management Agreement were set out in the announcement of the Company dated 16 May 2018.

- (e) (i) On 23 May 2018, iAdvantage entered into a contract with the Main Contractor, pursuant to which the Main Contractor has agreed to carry out, be responsible for, and complete the addition and alteration builder's works, fitting out works and building services installation at the ground floor to the fourth floor of MEGA-iAdvantage which form part of the Chai Wan Project (the "**Sanfield A&A Works Contract**") at a contract sum not exceeding HK\$59,070,000.
- (ii) On 23 May 2018, iAdvantage entered into a contract with Lik On Security Limited ("**Lik On**", a wholly-owned subsidiary of SHKP), pursuant to which Lik On has agreed to carry out, be responsible for, and complete the security systems enhancement works of MEGA-iAdvantage which form part of the Chai Wan Project at a contract sum not exceeding HK\$20,160,000.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contracts mentioned in this paragraph 5(e) and the transactions contemplated thereunder. Further particulars of the contracts mentioned in this paragraph 5(e) were set out in the announcement of the Company dated 23 May 2018.

- (f) On 28 December 2018, Grandwide Development Limited ("**Grandwide**", a wholly-owned subsidiary of the Company), and SHK Real Estate entered into a loan agreement (the "**Loan Agreement**") pursuant to which SHK Real Estate has agreed to make available unsecured term loan facility(ies) in an aggregate amount of HK\$3,800,000,000 to Grandwide for a term of 72 months at an interest rate of 4% per annum for general working capital requirements. The interest rate was subsequently changed to 3% per annum with effect from 1 August 2020.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, and that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric and Chan Hong-ki, Robert are directors of both the Company and SHK Real Estate, they are regarded as materially interested in the Loan Agreement and the transactions contemplated thereunder.

- (g) On 21 January 2019, Easy Vision Development Limited (“**Easy Vision**”, a wholly-owned subsidiary of the Company) entered into a project management agreement (“**Project Management Agreement 2**”) with SHK Real Estate for a project management fee of HK\$6,000,000 in relation to the appointment of SHK Real Estate as the project manager to manage, supervise and control the development comprising a high-tier data centre to be constructed on a piece of land located at Wan Po Road, Area 85, Tseung Kwan O, New Territories, Hong Kong and registered in the Land Registry as Tseung Kwan O Town Lot No. 131 (“**TKOTL 131**”).

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, and that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric and Chan Hong-ki, Robert are directors of both the Company and SHK Real Estate, they are regarded as materially interested in the Project Management Agreement 2 and the transactions contemplated thereunder.

- (h) (i) On 5 May 2020, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to let or license space and racks at the Group’s data centres to members of the SHKP Group for a period from 1 July 2020 to 30 June 2023 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2023 was HK\$4,142,000, HK\$4,829,000 and HK\$5,529,000 respectively.
- (ii) On 5 May 2020, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure relevant members of the SHKP Group to provide to the relevant members of the Group cleaning and sanitary services, security guard services, ad hoc facilities fixing services, small scale and miscellaneous repairs services in relation to all data centres of the Group for a period from 1 July 2020 to 30 June 2023 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2023 for the above transactions as well as other transactions pertaining to the provision of building management services by members of the SHKP Group to the relevant members of the Group under certain deeds of mutual covenant and management agreements was HK\$11,650,000, HK\$13,144,000 and HK\$20,739,000 respectively.
- (iii) On 5 May 2020, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under the System and Networking Arrangement to members of the SHKP Group for a period from 1 July 2020 to 30 June 2023 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2023 was HK\$100,200,000, HK\$132,800,000, and HK\$212,700,000 respectively.
- (iv) On 5 May 2020, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under the Maintenance Arrangement to members of the SHKP Group for a period from 1 July 2020 to 30 June 2023 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2023 was HK\$76,900,000, HK\$87,300,000, and HK\$99,200,000 respectively.

- (v) On 5 May 2020, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under the System and Networking Sub-contracting Arrangement to members of the Group for a period from 1 July 2020 to 30 June 2023 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2023 was HK\$9,000,000, HK\$15,200,000, and HK\$22,200,000 respectively.
- (vi) On 5 May 2020, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under the Maintenance Sub-contracting Arrangement to members of the Group for a period from 1 July 2020 to 30 June 2023 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2023 was HK\$6,000,000, HK\$8,300,000, and HK\$10,600,000 respectively.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the agreements mentioned in this paragraph 5(h) and the transactions contemplated thereunder. Further particulars of the agreements mentioned in this paragraph 5(h) were set out in the 2020 Announcement.

- (i) On 5 May 2020, the Company and Sun Hung Kai Properties Insurance Limited (“SHKI”, a wholly-owned subsidiary of SHKP) entered into an agreement pursuant to which the Company appointed SHKI to maintain the insurance coverage for the benefit of the Group for a period from 1 July 2020 to 30 June 2023 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2023 was HK\$6,465,000, HK\$7,683,000 and HK\$9,886,000 respectively.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP and that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen and Cheung Wing-yui are directors of both the Company and SHKI, they are regarded as materially interested in the agreement mentioned in this paragraph 5(i) and the transactions contemplated thereunder. Further particulars of the agreement mentioned in this paragraph 5(i) were set out in the 2020 Announcement.

- (j) On 5 May 2020, Capital Way (H.K.) Limited, a wholly-owned subsidiary of the Company, entered into a building contract with the Main Contractor, pursuant to which the Main Contractor has agreed to carry out, take full responsibility for the care of, and complete the construction of a 21-storey high building on TWTL 428 from basement enclosure upwards with a maximum gross floor area of approximately 201,700 square feet and certain fitting out works and all external works including coordination of various nominated sub-contracted works that are tendered out separately for the project at a contract sum of HK\$821,143,855, subject to adjustments.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contract mentioned in this paragraph 5(j) and the transactions contemplated thereunder. Further particulars of the contract mentioned in this paragraph 5(j) were set out in the 2020 Announcement.

- (k) On 11 May 2020, iAdvantage entered into a supplementary agreement with the Main Contractor (the “**Supplementary Agreement**”) to supplement the Sanfield A&A Works Contract, to cover certain additional works to be carried out for the Chai Wan Project for an additional amount of approximately HK\$49,340,000.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the Supplementary Agreement and the transactions contemplated thereunder. Further particulars of the Supplementary Agreement were set out in the announcement of the Company dated 11 May 2020.

- (l) On 3 November 2020, Easy Vision entered into a building contract with the Main Contractor, pursuant to which the Main Contractor has agreed to carry out, take full responsibility for the care of, and complete the construction of a high-tier data centre comprising two towers on TKOTL 131 with a maximum gross floor area of approximately 1.2 million square feet and certain fitting out works and all external works including coordination of various nominated sub-contracted works that are tendered out separately for the project at a contract sum of HK\$3,605,000,000, subject to adjustments.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contract mentioned in this paragraph 5(l) and the transactions contemplated thereunder. Further particulars of the contract mentioned in this paragraph 5(l) were set out in the announcement of the Company dated 3 November 2020.

- (m) On 7 July 2021, iAdvantage entered into a lease agreement (the “**Lease Agreement**”) with Orientfunds Sourcing (Holdings) Limited (the “**Landlord**”, a joint venture company, 50% of the issued shares of which are indirectly held by SHKP) for the leasing of the whole of the six-storey warehouse building on No. 11 On Chuen Street, Fanling, New Territories, Hong Kong erected on Fanling Sheung Shui Town Lot No. 2 by iAdvantage as tenant from the Landlord for a term of 11 years and 5 months commencing from 1 June 2023 and expiring on 31 October 2034 (both days inclusive) for the use of provision of data centre services. The total rent payable during the term of the Lease Agreement amounts to approximately HK\$251,000,000.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the Lease Agreement and the transactions contemplated thereunder. Further particulars of the Lease Agreement were set out in the announcement of the Company dated 7 July 2021.

- (n) On 23 March 2022, iAdvantage entered into a security systems works contract with Lik On, pursuant to which Lik On agreed to carry out, be responsible for and complete the security systems works, including the supply and installation of CCTV and access control systems in the communal area and the data hall of MEGA Gateway located at TWTL 428 at a contract sum of HK\$4,505,670.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contract mentioned in this paragraph 5(n) and the transactions contemplated thereunder. Further particulars of the contract mentioned in this paragraph 5(n) were set out in the announcement of the Company dated 23 March 2022.

- (o) iAdvantage was entering into further security systems works contracts in stages with Lik On (the first one was executed on 29 June 2022), pursuant to which Lik On shall carry out, be responsible for and complete the security systems works, including the further supply and installation of CCTV and access control systems in the communal area and the rest of the data halls of MEGA Gateway at the aggregate contract amount of up to HK\$9,011,340.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contracts mentioned in this paragraph 5(o) and the transactions contemplated thereunder. Further particulars of the contracts mentioned in this paragraph 5(o) were set out in the announcement of the Company dated 29 June 2022.

- (p) On 17 March 2023, STT Limited (a wholly-owned subsidiary of the Company) entered into a main contract with the Main Contractor, pursuant to which the Main Contractor has agreed to carry out, take full responsibility for the care of, and complete the construction works involving the construction of a 3-storey high external telecommunications station (the “**External Telecommunications Station**”) on a piece of land located at Chung Hom Kok, Hong Kong and registered in the Land Registry as Rural Building Lot No. 1219 and external works of the site at a contract sum of HK\$142,791,000 plus 10% contingency, subject to adjustments.



Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contract mentioned in this paragraph 5(p) and the transactions contemplated thereunder. Further particulars of the contract mentioned in this paragraph 5(p) were set out in the announcement of the Company dated 17 March 2023.

- (q) On 17 March 2023, iAdvantage entered into security system works contracts with Lik On, pursuant to which Lik On has agreed to carry out, be responsible for and complete the security system works, including (i) the supply and installation of CCTV and access control systems for the External Telecommunications Station and its communal area, at a contract sum of HK\$3,964,000; and (ii) on iAdvantage's demand (depending on whether iAdvantage is required by its customer(s) to carry out any of the security system works following negotiation between iAdvantage and its customer(s)), the supply and installation of CCTV and access control systems for the data hall(s) of the External Telecommunications Station at an aggregate contract sum of up to HK\$2,381,000.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contracts mentioned in this paragraph 5(q) and the transactions contemplated thereunder. Further particulars of the contracts mentioned in this paragraph 5(q) were set out in the announcement of the Company dated 17 March 2023.

- (r) On 17 March 2023, iAdvantage entered into security system works contracts with Lik On, pursuant to which Lik On has agreed to carry out, be responsible for and complete the security system works, including (i) the supply and installation of CCTV and access control systems for the communal area of Tower A and campus boundary of MEGA IDC located at TKOTL 131 at a contract sum of HK\$34,048,000; and (ii) on iAdvantage's demand (depending on whether iAdvantage is required by its customer(s) to carry out any of the security system works following negotiation between iAdvantage and its customer(s)), the supply and installation of CCTV and access control systems for the data hall(s) of Tower A (seven floors in total) of MEGA IDC at an aggregate contract sum of up to HK\$13,387,000.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the contracts mentioned in this paragraph 5(r) and the transactions contemplated thereunder. Further particulars of the contracts mentioned in this paragraph 5(r) were set out in the announcement of the Company dated 17 March 2023.

- (s) On 17 March 2023, iAdvantage entered into an authorised person's consultancy services agreement with Sun Hung Kai Architects and Engineers Limited ("SHKA&E", a wholly-owned subsidiary of SHKP), pursuant to which SHKA&E has agreed to carry out, be responsible for and complete the authorised person works for the development of MEGA IDC, comprising the provision of consultancy services in relation to outlined schematic proposal, project design, contract document and building construction at a contract sum of HK\$15,400,000.



Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP and that Mr. Chan Hong-ki, Robert is a director of the Company and SHKA&E, they are regarded as materially interested in the agreement mentioned in this paragraph 5(s) and the transactions contemplated thereunder. Further particulars of the agreement mentioned in this paragraph 5(s) were set out in the announcement of the Company dated 17 March 2023.

- (t) (i) On 3 May 2023, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to let or license space and racks at the Group's data centres to members of the SHKP Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2026 was HK\$4,900,000, HK\$5,100,000 and HK\$5,400,000 respectively.
- (ii) On 3 May 2023, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure relevant members of the SHKP Group to provide to the relevant members of the Group cleaning and sanitary services, security guard services, ad hoc facilities fixing services, small scale and miscellaneous repairs services in relation to all data centres of the Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2026 for the above transactions as well as other transactions pertaining to the provision of building management services by members of the SHKP Group to the relevant members of the Group under certain deeds of mutual covenant and management agreements was HK\$14,700,000, HK\$15,200,000 and HK\$16,100,000 respectively.
- (iii) On 3 May 2023, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure relevant members of the SHKP Group to provide to the relevant members of the Group maintenance services for data centre security systems, including but not limited to the maintenance of CCTV and access control systems for a period from 1 July 2023 to 30 June 2026 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2026 was HK\$6,400,000, HK\$6,800,000 and HK\$7,300,000 respectively.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP, they are regarded as materially interested in the agreements mentioned in this paragraph 5(t) and the transactions contemplated thereunder. Further particulars of the agreements mentioned in this paragraph 5(t) were set out in the 2023 Announcement.

- (u) On 3 May 2023, the Company and SHKI entered into an agreement pursuant to which the Company appointed SHKI to maintain the insurance coverage for the benefit of the Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2026 was HK\$9,700,000, HK\$10,300,000 and HK\$10,900,000 respectively.

Given that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tung Chi-ho, Eric, Kwok Kai-wang, Christopher and Chan Hong-ki, Robert are directors of both the Company and SHKP and that Messrs. Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen and Cheung Wing-yui are directors of both the Company and SHKI, they are regarded as materially interested in the agreement mentioned in this paragraph 5(u) and the transactions contemplated thereunder. Further particulars of the agreement mentioned in this paragraph 5(u) were set out in the 2023 Announcement.

- (v) Mr. Cheung Wing-yui, a non-executive Director, is a consultant of Messrs. Woo Kwan Lee & Lo, a solicitors firm which provided professional services to the Group (including in relation to the Continuing Connected Transactions) and charged usual professional fees in respect thereof.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is subsisting at the date of this circular and which is significant in relation to the business of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 30 June 2022, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 6. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date there had been no material adverse change in the financial or trading position of the Group since 30 June 2022, being the date to which the latest published audited financial statements of the Company were made up.

## 7. EXPERT

The following are the qualifications of the expert who had given its opinions or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Somerley	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions together with the CCTs Annual Caps therefor

As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any assets which had been, since 30 June 2022, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 24 May 2023 and the references to its name included herein in the form and context in which they appear.

## **8. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published and displayed on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sunevision.com](http://www.sunevision.com)) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the agreement dated 3 May 2023 entered into by the Company and SHKP in relation to the System and Networking Arrangement;
- (b) the agreement dated 3 May 2023 entered into by the Company and SHKP in relation to the Maintenance Arrangement;
- (c) the agreement dated 3 May 2023 entered into by the Company and SHKP in relation to the System and Networking Sub-contracting Arrangement;
- (d) the agreement dated 3 May 2023 entered into by the Company and SHKP in relation to the Maintenance Sub-contracting Arrangement; and
- (e) the written consent from Somerley referred to in paragraph 7 of this appendix.

**9. MISCELLANEOUS**

- (a) The registered office of the Company is situated at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The head office and principal place of business of the Company is situated at Unit 3110, 31/F, Standard Chartered Tower, Millennium City 1, 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Ms. Lau Bonnie who is the General Counsel of the Group and a member of the Law Society of Hong Kong.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---



sunEvision

### SUNEVISION HOLDINGS LTD.

新意網集團有限公司

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

**(Stock Code: 1686)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of SUNeVision Holdings Ltd. (the “**Company**”) will be held at 4th Floor and 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on Wednesday, 21 June 2023 at 12:00 noon (the “**EGM**”) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions. Words and expressions that are not expressly defined in this notice of extraordinary general meeting shall bear the same meanings as defined in the circular of the Company dated 24 May 2023 (the “**Circular**”).

#### ORDINARY RESOLUTIONS

- (i) **“THAT:**
- (a) the agreement dated 3 May 2023 entered into between the Company and Sun Hung Kai Properties Limited (“**SHKP**”) in respect of the System and Networking Arrangement (as defined and more particularly described in the Circular) (the “**System and Networking Agreement**”, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the System and Networking Arrangement Annual Caps (as defined and more particularly described in the Circular), be and are hereby approved;
  - (b) the entering into, execution, performance and implementation of the System and Networking Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
  - (c) any Director (or if execution under the common seal of the Company is required, any two Directors, or any one Director and the company secretary of the Company) be and is/are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such acts, deeds, matters and things as he/she/they may in his/her/their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the System and Networking Agreement.”

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

(ii) “**THAT:**

- (a) the agreement dated 3 May 2023 entered into between the Company and SHKP in respect of the Maintenance Arrangement (as defined and more particularly described in the Circular) (the “**Maintenance Agreement**”, a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the Maintenance Arrangement Annual Caps (as defined and more particularly described in the Circular), be and are hereby approved;
- (b) the entering into, execution, performance and implementation of the Maintenance Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (c) any Director (or if execution under the common seal of the Company is required, any two Directors, or any one Director and the company secretary of the Company) be and is/are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such acts, deeds, matters and things as he/she/they may in his/her/their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the Maintenance Agreement.”

(iii) “**THAT:**

- (a) the agreement dated 3 May 2023 entered into between the Company and SHKP in respect of the System and Networking Sub-contracting Arrangement (as defined and more particularly described in the Circular) (the “**System and Networking Sub-contracting Agreement**”, a copy of which has been produced to the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the System and Networking Sub-contracting Arrangement Annual Caps (as defined and more particularly described in the Circular), be and are hereby approved;
- (b) the entering into, execution, performance and implementation of the System and Networking Sub-contracting Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (c) any Director (or if execution under the common seal of the Company is required, any two Directors, or any one Director and the company secretary of the Company) be and is/are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such acts, deeds, matters and things as he/she/they may in his/her/their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the System and Networking Sub-contracting Agreement.”

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

(iv) “**THAT:**

- (a) the agreement dated 3 May 2023 entered into between the Company and SHKP in respect of the Maintenance Sub-contracting Arrangement (as defined and more particularly described in the Circular) (the “**Maintenance Sub-contracting Agreement**”, a copy of which has been produced to the meeting marked “D” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the Maintenance Sub-contracting Arrangement Annual Caps (as defined and more particularly described in the Circular), be and are hereby approved;
- (b) the entering into, execution, performance and implementation of the Maintenance Sub-contracting Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (c) any Director (or if execution under the common seal of the Company is required, any two Directors, or any one Director and the company secretary of the Company) be and is/are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such acts, deeds, matters and things as he/she/they may in his/her/their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the Maintenance Sub-contracting Agreement.”

By order of the Board  
**SUNEVISION HOLDINGS LTD.**  
**Lau Bonnie**  
*Company Secretary*

Hong Kong, 24 May 2023

***Registered Office:***

PO Box 309, Uglan House  
Grand Cayman  
KY1-1104  
Cayman Islands

***Head Office and Principal Place of Business:***

Unit 3110, 31/F, Standard Chartered Tower  
Millennium City 1, 388 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

Notes:

1. In order to determine entitlements of the shareholders of the Company (the “**Shareholders**”) to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 16 June 2023 to Wednesday, 21 June 2023, both days inclusive, during which no transfer of shares of the Company (the “**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, 15 June 2023.
  - (ii) In the case of 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for conversion into Shares not later than 4:30 p.m. on Thursday, 4 May 2023.
2. A Shareholder entitled to attend and vote at the EGM is entitled to appoint a person or persons (who must be individuals) as his or her proxy or proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a Shareholder.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 12:00 noon on Monday, 19 June 2023 or not less than 48 hours before the time for holding any adjourned EGM (as the case may be) and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
4. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof; and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Attendees of the EGM are reminded to follow any precautionary measures that may be imposed in accordance with prevailing guidelines published by the Hong Kong Government and regulatory authorities. As a courtesy to other attendees, we recommend that any person who feels unwell or has any symptoms of COVID-19 should avoid attending the EGM. Shareholders are reminded that physical attendance at the EGM is not necessary for the purpose of exercising their voting rights. Shareholders may (as indicated in note 2 above) appoint proxies to vote on their behalf.
6. If a black rainstorm warning signal is in force or a tropical cyclone warning signal no. 8 or above is hoisted or “extreme conditions caused by a super typhoon” announced by the Hong Kong Government is in force at any time between 9:00 a.m. and 12:00 noon on the day of the EGM, the EGM will be adjourned. The Company will publish an announcement on its website at [www.sunevision.com](http://www.sunevision.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and venue of the adjourned meeting.

Shareholders should decide on their own whether they would attend the EGM under bad weather conditions having regard to their own situations and, if they choose to do so, they are advised to exercise care and caution.

*This notice is made in English and Chinese. In case of any inconsistency, the English version shall prevail.*