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SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1686)

CONNECTED TRANSACTIONS

- (1) MAIN CONTRACT IN RELATION TO CONSTRUCTION WORKS FOR EXTERNAL TELECOMMUNICATIONS STATION;**
(2) CONTRACT IN RELATION TO SECURITY SYSTEM WORKS FOR EXTERNAL TELECOMMUNICATIONS STATION AND COMMUNAL AREA
AND
(3) CONTRACT IN RELATION TO PROPOSED SECURITY SYSTEM WORKS FOR DATA HALL(S)

(1) MAIN CONTRACT IN RELATION TO CONSTRUCTION WORKS FOR EXTERNAL TELECOMMUNICATIONS STATION

On 17 March 2023, STT Limited, a wholly-owned subsidiary of the Company, entered into the 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 for the Project (involving the construction of the External Telecommunications Station and external works of the site on the Land at Chung Hom Kok, Hong Kong) at a contract sum of HK\$142,791,000 plus 10% contingency, subject to adjustments.

(2) CONTRACT IN RELATION TO SECURITY SYSTEM WORKS FOR EXTERNAL TELECOMMUNICATIONS STATION AND COMMUNAL AREA

On 17 March 2023, iAdvantage, a subsidiary of the Company, entered into the Security System Works Contract I with Lik On, pursuant to which Lik On has agreed to carry out, be responsible for and complete the Security System Works I for the External Telecommunications Station and Communal Area on the Land at Chung Hom Kok, Hong Kong, at a contract sum of HK\$3,964,000.

(3) CONTRACT IN RELATION TO PROPOSED SECURITY SYSTEM WORKS FOR DATA HALL(S)

On 17 March 2023, iAdvantage entered into the Security System Works Contract II with Lik On, pursuant to which Lik On has agreed to, on iAdvantage's demand (depending on whether iAdvantage is required by its customer(s) to carry out any of the Security System Works II following negotiation between iAdvantage and its customer(s)), carry out, be responsible for and complete the Security System Works II for the Data Hall(s) on the Land at Chung Hom Kok, Hong Kong, at an aggregate contract sum of up to HK\$2,381,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 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.

The Main Contractor is a wholly-owned subsidiary of SHKP and is therefore an associate of SHKP and a connected person of the Company. Accordingly, the entering into of the Main Contract with the Main Contractor constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Lik On is a wholly-owned subsidiary of SHKP and is therefore an associate of SHKP and a connected person of the Company. Accordingly, the entering into of the Security System Works Contracts with Lik On constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Construction Works and the Security System Works are and will be carried out by the subsidiaries of SHKP engaged by the Group and in respect of the same Project, the transaction contemplated under the Main Contract would need to be aggregated with the transactions contemplated under the Security System Works Contracts and treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. As all of the applicable percentage ratios in respect of the transactions contemplated under the contracts in relation to the Construction Works and the Security System Works as aggregated are more than 0.1% but less than 5%, the transactions contemplated under the Main Contract and the Security System Works Contracts constitute connected transactions of the Company which are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company announces that the Group has entered into the Main Contract and the Security System Works Contracts with subsidiaries of SHKP for certain construction works on the Land owned by the Group.

(1) MAIN CONTRACT IN RELATION TO CONSTRUCTION WORKS FOR EXTERNAL TELECOMMUNICATIONS STATION

On 17 March 2023, STT Limited, a wholly-owned subsidiary of the Company, entered into the 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 for the Project (involving the construction of the External Telecommunications Station and external works of the site on the Land at Chung Hom Kok, Hong Kong) at a contract sum of HK\$142,791,000, subject to adjustments. Principal terms of the Main Contract are summarised below:-

- Date** : 17 March 2023
- Parties** : STT Limited (as the employer); and
Sanfield Engineering Construction Limited (as the main contractor)
- Subject matter** : The Main Contractor has agreed to carry out, take full responsibility for the care of, and complete the Construction Works for the Project on the terms of the Main Contract.

The Construction Works comprise the construction of the External Telecommunications Station consisting of a maximum gross floor area of approximately 29,114 square feet and external works of the site on the Land.

The Main Contractor was selected by STT Limited through a tender process, with reference to the expertise, experience and market position of the Main Contractor, and the complexity, design, quality and quantity of the Construction Works.

- Contract sum** : HK\$142,791,000, subject to adjustments in accordance with the terms of the Main Contract in relation to any adjustment of provisional quantities and variation instructions issued by the independent architect which have cost effect, and the amount involved will be ascertained by the independent quantity surveyor.

As advised by the independent quantity surveyor, it is the usual practice that approximately 10% of the Main Contract Sum is applied as contingency for the construction projects of the private sector. The independent quantity surveyor has further advised that it is reasonable to adopt a contingency of 10% of the Main Contract Sum in this case. As such, it is estimated that the final Main Contract Sum will not exceed 110% of the original Main Contract Sum (i.e. not exceeding approximately HK\$157,070,000).

The Main Contract Sum was determined after arm's length negotiations with the Main Contractor and based on normal commercial terms.

The Main Contract Sum (subject to adjustments) will be paid in cash and funded by the Group's internal resources.

- Payment terms** : STT Limited will make progress payments to the Main Contractor based on estimated value of the Construction Works properly executed and of the materials and goods delivered for use in the Construction Works in accordance with the architect certificates, subject to the right on the part of STT Limited to retain a sum which shall not in general exceed 5% of the total Main Contract Sum. Upon the Main Contractor's presentation of the architect certificates to STT Limited, STT Limited will verify and settle the relevant amounts within 45 days thereafter. The remaining retention amount shall be paid to the Main Contractor within 45 days after the expiration of the defects liability period, or the issue of the defects rectification certificate, or the approval has been given by the architect for all specified guarantees and warranties required to be submitted by the Main Contractor or the nominated sub-contractors or suppliers, whichever is the later.
- Expected date of commencement and completion of the Construction Works** : The date of commencement of the Construction Works is tentatively expected to commence in the second quarter of 2023 and to be completed within 485 calendar days from and including the commencement date.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MAIN CONTRACT

The Group is principally engaged in the provision of data centre, facilities management and value-added services, and installation and maintenance services. The Group's core data centre and cable landing station business is capital intensive requiring significant continued investment to ensure new facilities are state-of-the-art. The Group aims to include cable landing stations to its data centre portfolio so as to further strengthen the Group's position as the leading connectivity hub in Asia. The Construction Works, which involves the construction of the External Telecommunications Station at the site of the Land at Chung Hom Kok, Hong Kong, will enhance the Group's ability to offer path diversity and expansion capacity for new submarine cable growth.

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. The SHKP Group has substantial experience, competent expertise and a proven track record in property development and construction. The principal activity of the Main Contractor is building construction and the Main Contractor also has substantial experience, competent expertise and a proven track record in building construction. It is therefore in the interest of the Group to leverage on the expertise of the SHKP Group and the Main Contractor, and to appoint the Main Contractor to carry out, take full responsibility for the care of, and complete the Construction Works for the Project. The engagement of the Main Contractor will generally enhance the co-ordination and cost effectiveness of the construction process and management of the Project. In addition, the past experience of the Group in working successfully with the Main Contractor on other constructions as well as addition and alteration works also makes the Main Contractor the most suitable contractor for undertaking the Construction Works for the Project.

The Directors (including the independent non-executive Directors) are of the view that while the entering into of the Main Contract may not be in the ordinary and usual course of business of the Group, the Main Contract and the transaction contemplated thereunder are on normal commercial terms and that the Main Contract's terms are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

(2) CONTRACT IN RELATION TO SECURITY SYSTEM WORKS FOR EXTERNAL TELECOMMUNICATIONS STATION AND COMMUNAL AREA

On 17 March 2023, iAdvantage entered into the Security System Works Contract I with Lik On, pursuant to which Lik On has agreed to carry out, be responsible for and complete the Security System Works I for the External Telecommunications Station and Communal Area. Principal terms of the Security System Works Contract I are summarised as follows:-

Date	:	17 March 2023
Parties	:	(1) iAdvantage (as the employer); and (2) Lik On (as the main contractor).
Subject matter	:	Lik On has agreed to carry out, be responsible for, and complete the Security System Works I for the External Telecommunications Station and Communal Area on the terms of the Security System Works Contract I.
Contract sum	:	HK\$3,964,000, being the total Security System Works Contract I Sum payable by iAdvantage to Lik On pursuant to the Security System Works Contract I.

Lik On was selected by iAdvantage through a request for quotation process. The Security System Works Contract I Sum was the lowest among the quotations received and was based on normal commercial terms with reference to the expertise, experience and market position of Lik On, and the complexity, design, quality and quantity of the Security System Works I.

The Security System Works Contract I Sum shall be paid in cash and funded by the Group's internal resources.

Payment terms	:	iAdvantage shall make progress payments to Lik On based on project manager certificates (subject to the right on the part of iAdvantage to retain 5% of the Security System Works Contract I Sum). The total amounts retained as aforementioned shall be paid to Lik On upon the issuance of a practical completion certificate.
Expected date of commencement and completion of the Security System Works I	:	The date of commencement of the Security System Works I is expected to be in the third quarter of 2023. The Security System Works I are expected to be completed by end of 2023.

(3) CONTRACT IN RELATION TO PROPOSED SECURITY SYSTEM WORKS FOR DATA HALL(S)

On 17 March 2023, iAdvantage entered into the Security System Works Contract II with Lik On, pursuant to which Lik On has agreed to, on iAdvantage's demand (depending on whether iAdvantage is required by its customer(s) to carry out any of the Security System Works II following negotiation between iAdvantage and its customer(s)), carry out, be responsible for and complete the Security System Works II for the Data Hall(s). Principal terms of the Security System Works Contract II are summarised as follows:-

- Date** : 17 March 2023
- Parties** : (1) iAdvantage (as the employer); and
(2) Lik On (as the main contractor).
- Subject matter** : Lik On has agreed to, on iAdvantage's demand, carry out, be responsible for, and complete the Security System Works II for the Data Hall(s) on the terms of the Security System Works Contract II.
- Contract sum** : The total contract sum payable by iAdvantage to Lik On pursuant to the Security System Works Contract II will be up to HK\$2,381,000.

Lik On was selected by iAdvantage through a request for quotation process. The Security System Works Contract II Sum was the lowest among the quotations received and was based on normal commercial terms with reference to the expertise, experience and market position of Lik On, and the complexity, design, quality and quantity of the Security System Works II.

The Security System Works Contract II Sum shall be paid in cash and funded by the Group's internal resources.

- Payment terms** : iAdvantage shall make progress payments to Lik On based on project manager certificates (subject to the right on the part of iAdvantage to retain 5% of the Security System Works Contract II Sum). The total amounts retained as aforementioned shall be paid to Lik On upon the issuance of a practical completion certificate.
- Expected date of commencement of the Security System Works II** : The commencement of Security System Works II is subject to iAdvantage's demand (depending on whether iAdvantage is required by its customer(s) to carry out any of the Security System Works II following negotiation between iAdvantage and its customer(s)). Upon confirmation of any Security System Works II, the date of commencement will be as determined between iAdvantage and Lik On.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SECURITY SYSTEM WORKS CONTRACTS

The Group's core data centre and cable landing station business is capital intensive requiring significant investment to ensure new facilities are state-of-the-art. The Security System Works, which form part of the work under the development of the Land owned by the Group, requires technical expertise in the areas of construction, mechanical and electrical engineering, as well as information and communications technology. The principal activities of the SHKP Group are the development of and investment in properties for sale and rent, hotel operation, telecommunications, transport infrastructure and logistics. The SHKP Group has substantial experience, competent expertise and a proven track record in property development and construction. The principal activity of Lik On is the supply and installation of security systems and equipment, and Lik On has substantial experience, competent expertise and a proven track record in its areas of work. It is therefore in the interest of the Group to leverage on the expertise of the SHKP Group and Lik On, and to appoint Lik On to carry out, be responsible for and complete the Security System Works for the External Telecommunications Station, Communal Area and the Data Hall(s).

The Directors (including the independent non-executive Directors) consider that the entering into of the Security System Works Contracts is in the ordinary and usual course of business of the Group and the Security System Works Contracts and the transactions contemplated thereunder are, considering, among other things, the pricing factor, on normal commercial terms and that the Security System Works Contracts' terms are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 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.

The Main Contractor is a wholly-owned subsidiary of SHKP and is therefore an associate of SHKP and a connected person of the Company. Accordingly, the entering into of the Main Contract with the Main Contractor constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Lik On is a wholly-owned subsidiary of SHKP and is therefore an associate of SHKP and a connected person of the Company. Accordingly, the entering into of the Security System Works Contracts with Lik On constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Construction Works and the Security System Works are and will be carried out by the subsidiaries of SHKP engaged by the Group and in respect of the same Project, the transaction contemplated under the Main Contract would need to be aggregated with the transactions contemplated under the Security System Works Contracts and treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. As all of the applicable percentage ratios in respect of the transactions contemplated under the contracts in relation to the Construction Works and the Security System Works as aggregated are more than 0.1% but less than 5%, the transactions contemplated under the Main Contract and the Security System Works Contracts constitute connected transactions of the Company which are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 Main Contract and the Security System Works Contracts and they have therefore abstained from voting on the Board resolutions approving the Main Contract and the Security System Works Contracts. As Mr. Cheung Wing-yui is a consultant of the firm of solicitors which provides professional services to the Company in relation to the Main Contract and the Security System Works Contracts, he has also abstained from voting on the Board resolutions approving the Main Contract and the Security System Works Contracts 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 Main Contract and the Security System Works Contracts to avoid potential conflicts of interests.

GENERAL INFORMATION

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 activity of the Main Contractor is building construction.

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

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.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules (as may be amended from time to time)
“Board”	the board of Directors
“Communal Area”	the communal area of the External Telecommunications Station
“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 (as may be amended from time to time)
“Construction Works”	the construction of the External Telecommunications Station and all external works of the site on the Land
“Data Hall(s)”	data hall(s) of the External Telecommunications Station
“Director(s)”	the director(s) of the Company

“External Telecommunications Station”	a 3-storey high external telecommunications station to be erected on the Land with a maximum gross floor area of approximately 29,114 square feet
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“iAdvantage”	iAdvantage Limited 互聯優勢有限公司, a company incorporated in Hong Kong with limited liability and a subsidiary of the Company
“Land”	a piece of land located at Chung Hom Kok, Hong Kong and registered in the Land Registry as Rural Building Lot No. 1219
“Lik On”	Lik On Security Limited 力安護衛有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as may be amended from time to time)
“Main Contract”	the contract constituted by a tender submitted by the Main Contractor on 4 November 2022 together with subsequent correspondence and a letter of award issued by STT Limited and accepted by the Main Contractor on 17 March 2023 in relation to the Construction Works
“Main Contractor”	Sanfield Engineering Construction Limited 新輝城建工程有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“Main Contract Sum”	HK\$142,791,000 (subject to adjustments), being the contract sum payable by STT Limited to the Main Contractor pursuant to the Main Contract
“Project”	the development of the site and the construction of the External Telecommunications Station on the Land
“Security System Works”	collectively, the Security System Works I and the Security System Works II
“Security System Works I”	security system works, including the supply and installation of CCTV and access control systems for the External Telecommunications Station and in the Communal Area
“Security System Works II”	proposed security system works, including the supply and installation of CCTV and access control systems in the Data Hall(s) on iAdvantage’s demand

“Security System Works Contract I”	the contract constituted by a quotation dated 24 November 2022 issued by Lik On and a purchase order dated 9 March 2023 issued by iAdvantage and accepted by Lik On on 17 March 2023 in relation to the Security System Works I for the External Telecommunications Station and Communal Area
“Security System Works Contract II”	the contract constituted by a quotation dated 24 November 2022 issued by Lik On and a letter agreement dated 9 March 2023 issued by Lik On and accepted by iAdvantage on 17 March 2023 in relation to the Security System Works II for the Data Hall(s)
“Security System Works Contracts”	collectively, the Security System Works Contract I and the Security System Works Contract II
“Security System Works Contract I Sum”	HK\$3,964,000, being the contract sum payable by iAdvantage to Lik On pursuant to the Security System Works Contract I
“Security System Works Contract II Sum”	the total aggregate contract sum payable by iAdvantage to Lik On pursuant to the Security System Works Contract II of up to HK\$2,381,000
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STT Limited”	STT Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 17 March 2023

As at the date of this announcement, the Board comprises five Executive Directors, being Kwok Ping-luen, Raymond, Fung Yuk-lun, Allen, Tong Kwok-kong, Raymond, Tung Chi-ho, Eric and Chan Man-yuen, Martin; six Non-Executive Directors, being Cheung Wing-yui, Kwok Kai-wang, Christopher, David Norman Prince, Siu Hon-wah, Thomas, Chan Hong-ki, Robert and Lau Yeuk-hung, Fiona; and six Independent Non-Executive Directors, being Li On-kwok, Victor, King Yeo-chi, Ambrose, Wong Kai-man, Lee Wai-kwong, Sunny, Cheng Ka-lai, Lily and Leong Kwok-kuen, Lincoln