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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)**

## **VARIOUS CONTINUING CONNECTED TRANSACTIONS**

### **VARIOUS CONTINUING CONNECTED TRANSACTIONS WITH SHKP GROUP**

The Group has been conducting the Continuing Connected Transactions. Details (including the relevant annual caps) of the Continuing Connected Transactions (except for those under the Data Centre Security System Maintenance Arrangement which have been fully exempt as de minimis transactions stipulated under Rule 14A.76(1) of the Listing Rules) were disclosed in the 2020 Announcement. The Transactions Requiring Approval, which mainly relate to the Group's installation and maintenance services of ELV and IT systems, comprising i) the System and Networking Arrangement; ii) the Maintenance Arrangement; iii) the System and Networking Sub-contracting Arrangement; and iv) 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.

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 or SHKI (as the case may be) 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).

### **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 entering into of the New Agreements with SHKP or SHKI (being a wholly-owned subsidiary of SHKP) (as the case may be) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. For these Continuing Connected Transactions, transactions of each category of the Transactions Requiring Approval will constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, annual review and the Independent Shareholders' Approval requirements pursuant to Chapter 14A of the Listing Rules. Transactions of each category of the Transactions Exempt from Approval will constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and are only subject to the reporting, announcement and annual review requirements and are exempt from the circular (including independent financial advice) and the Independent Shareholders' Approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Company will seek the Independent Shareholders' Approval (by way of poll) in relation to each category of the Transactions Requiring Approval.

A circular containing, among other things, (i) further information on the Transactions Requiring Approval; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Transactions Requiring Approval; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions Requiring Approval; and (iv) the notice of the EGM to be convened at which ordinary resolutions will be proposed to approve the Transactions Requiring Approval and matters contemplated thereunder is currently expected to be despatched to the Shareholders on or before 24 May 2023.

## **VARIOUS CONTINUING CONNECTED TRANSACTIONS WITH SHKP GROUP**

### **1. BACKGROUND**

The Group has been conducting the Continuing Connected Transactions with SHKP Group. Details (including the relevant annual caps) of the Continuing Connected Transactions (except for those under the Data Centre Security System Maintenance Arrangement which have been fully exempt as de minimis transactions stipulated under Rule 14A.76(1) of the Listing Rules) were disclosed in the 2020 Announcement. The Transactions Requiring Approval, which mainly relate to the Group's installation and maintenance services of ELV and IT systems, comprising i) the System and Networking Arrangement; ii) the Maintenance Arrangement; iii) the System and Networking Sub-contracting Arrangement; and iv) 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.

## 2. 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 or SHKI (as the case may be) 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 the New Agreements for the Transactions Requiring Approval is conditional upon the obtaining of the approval of the Independent Shareholders.

Details of the Transactions Requiring Approval and the Transactions Exempt from Approval are set out below.

### *I. Transactions requiring approval*

The Transactions Requiring Approval 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.

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 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.

In deciding on the terms of the proposed transactions under the System and Networking Arrangement, 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 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 by reference to historical transactions of a similar scale and nature to ensure that the price is fair and reasonable and 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.

### 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 (HK\$)</b>
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

### Proposed annual caps and basis of cap

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 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 proposed 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.

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 who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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 who will render their views after considering the advice to be given by the

independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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.

***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 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.

In deciding on the terms of the proposed transactions under the Maintenance Arrangement, 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 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 by reference to historical transactions of a similar scale and nature to ensure that the price is fair and reasonable and 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 (HK\$)</b>
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

#### Proposed annual caps and basis of cap

The proposed annual caps for the aggregate amount of service 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, 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 Maintenance Arrangement	74,400,000	84,800,000	96,600,000

The proposed 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 who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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 who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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.

**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 of the 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 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 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.

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 (HK\$)</b>
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

#### Proposed annual caps and basis of cap

The proposed annual caps for the aggregate amount of service 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 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 Sub-contracting Arrangement	17,700,000	21,700,000	43,100,000

Such 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.I.A above, the level of demand for and scale of services pursuant to the System and Networking Arrangement are expected to increase. Furthermore, certain 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 who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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 who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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.

***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, 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 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) 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 (HK\$)</b>
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

### Proposed annual caps and basis of cap

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 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 Maintenance Sub-contracting Arrangement	5,900,000	8,400,000	14,400,000

Such 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.I.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.

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 who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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 who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) 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.

## *II. Transactions exempt from approval*

### *A. Space and rack rental*

#### Background

Members of the SHKP Group have been renting and licensing and will continue to rent and license space and racks located in the Group's data centres (the "**Space and Rack Rental Arrangement**"). The Group has charged and will continue to charge the relevant members of the SHKP Group rental or license fees at rates comparable with the rates at which the Group charges other independent third-party customers taking into account the area of space and/or number of racks rented or licensed and the rental or license term.

#### 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 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). This agreement takes effect from the date of signing, 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 Space and Rack Rental Arrangement. The said principles include that the transactions under the Space and Rack Rental Arrangement shall be negotiated on an arm's length basis and on normal commercial terms, and the rental or license fees payable by the relevant members of the SHKP Group shall be comparable with the rates at which the Group charges independent third-party customers of the Group taking into account the area of space and/or number of racks rented or licensed and the rental or license term. 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.

Relevant members of the SHKP Group and of the Group have entered into and will enter into separate lease or license or service agreements to provide for the detailed terms with respect to the leasing or licensing of space/rack pursuant to the Space and Rack Rental Arrangement. Members of the Group will refer to the then available market rates when transactions under the Space and Rack Rental Arrangement are entered into with members of the SHKP Group from time to time.

### The historical amounts

The annual cap for the Space and Rack Rental Arrangement for each of the three financial years ending 30 June 2023 as set out in the 2020 Announcement was HK\$4,142,000, HK\$4,829,000, and HK\$5,529,000 respectively. The following table sets out the aggregate amount of rental and license fees received by the Group pursuant to the Space and Rack Rental Arrangement during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount (HK\$)</b>
Financial year ended 30 June 2021	3,630,000
Financial year ended 30 June 2022	3,645,000
Six-month period ended 31 December 2022	2,073,000

### Proposed annual caps and basis of cap

The proposed annual caps for the aggregate amount of rental and license fees which may be received by the Group pursuant to the Space and Rack Rental Arrangement for each of the three financial years ending 30 June 2026 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>
Rental and license fees pursuant to the Space and Rack Rental Arrangement	4,900,000	5,100,000	5,400,000

Such annual caps are determined based on the existing contracts and the newly signed orders and the anticipated rate of rental or license fees in the coming years.

The Space and Rack Rental Arrangement has been and will continue to be conducted in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) confirm that the Space and Rack Rental Arrangement has been and will continue to be negotiated on an arm's length basis and on normal commercial terms, and the rental and the license fees which the Group has charged and will charge members of the SHKP Group pursuant to such arrangement has been and will continue to be at rates comparable with the rates at which the Group charges other independent third-party customers taking into account the area of space and/or number of racks rented or licensed and the rental or license term.

*B. Provision of property management services by the SHKP Group to the Group*

Background

Members of the SHKP Group, as the building manager appointed by the owners of the relevant buildings in accordance with the terms of the relevant deeds of mutual covenant and management agreements, have provided and will continue to provide building management services (the “**Building Management Services**”) in relation to certain properties of the Group including those situated at Millennium City 1 in Kwun Tong, Kowloon, Hong Kong. The relevant members of the Group pay management fees to the relevant building manager on the same basis as the other owners of the relevant buildings in accordance with the relevant deeds of mutual covenant and management agreements.

Members of the SHKP Group have also provided and will continue to provide 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 (the “**Extra Management Services**”, which together with the Building Management Services are collectively referred to as the “**Property Management Arrangement**”). The relevant members of the SHKP Group have charged and will continue to charge the relevant members of the Group service fees comparable to the rates chargeable by other third-party service providers taking into account the type and nature, scale, frequency and duration of the services involved.

The New Agreement

On 3 May 2023, the Company and SHKP entered into a new agreement whereby SHKP has agreed to procure relevant members of the SHKP Group to provide Extra Management Services to members of the Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive). This agreement takes effect from the date of signing, and is a master agreement which sets out the principles upon which detailed terms are to be determined in respect of the provision of the Extra Management Services. Relevant members of the Group and of the SHKP Group have entered into and will enter into separate and definitive agreements with detailed terms for the services required from time to time pursuant to such arrangement. The said principles include that the Extra Management Services to be provided shall be negotiated on an arm’s length basis and on normal commercial terms, and the amount of service fees payable by the Group to the SHKP Group shall be at rates comparable to those charged by other third-party service providers taking into account the type and nature, scale, frequency and duration of the services involved. Depending on the type, nature and scale of the services required, the Group may invite tenders from potential service providers (which include members of the SHKP Group) and select the bidder who offers the most attractive terms. 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

The annual cap for the Property Management Arrangement for each of the three financial years ending 30 June 2023 as set out in the 2020 Announcement was HK\$11,650,000, HK\$13,144,000, and HK\$20,739,000 respectively. The following table sets out the aggregate amount of fees paid by the Group pursuant to the Property Management Arrangement during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount (HK\$)</b>
Financial year ended 30 June 2021	10,919,000
Financial year ended 30 June 2022	8,923,000
Six-month period ended 31 December 2022	4,786,000

### Proposed annual caps and basis of cap

The proposed annual caps for the aggregate amount of fees payable by the Group pursuant to the Property Management Arrangement for each of the three financial years ending 30 June 2026 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>
Fees pursuant to the Property Management Arrangement	14,700,000	15,200,000	16,100,000

It is anticipated that, on average (for each of the three financial years ending 30 June 2026), approximately 15% of the total fees expected to be payable under the Property Management Arrangement will be attributable to the Building Management Services and approximately 85% will be attributable to the Extra Management Services.

Such annual caps are determined with reference to (i) the management fees in respect of the Building Management Services (which are to be fixed by the owners of the buildings concerned in accordance with the respective deeds of mutual covenant and management agreements); and (ii) the expected increase in the level of the Extra Management Services required.

The Property Management Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) confirm that (i) the transactions in relation to the provision of the Building Management Services have been and will continue to be on the same basis as those payable by the other owners of the relevant buildings; and (ii) the transactions in relation to the provision of the Extra Management Services have been and will continue to be negotiated on an arm's length basis and on normal commercial terms, and the service fees payable to the SHKP Group have been and will continue to be at rates comparable to the rates chargeable by other third-party service providers taking into account the type and nature, scale, frequency and duration of the services involved.

### C. *Provision of insurance services by SHKI to the Group*

#### Background

Various members of the Group currently maintain insurance cover with or through SHKI for members of the Group and for certain sub-contractors engaged by the members of the Group (the “**Insurance Arrangement**”).

#### The New Agreement

On 3 May 2023, the Company and SHKI entered into a new 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). This agreement takes effect from the date of signing, and is a master agreement which sets out the principles upon which members of the Group will obtain insurance coverage with or through SHKI. The said principles include that the terms of the insurance policies to be maintained at the request of the Group with SHKI as the insurer shall be negotiated on an arm’s length basis and be comparable to the terms of the insurance policies maintained by other third parties with SHKI in respect of similar type of risk insured. Prior to taking out the relevant insurance policies, the Group will obtain market rates of insurance premium charged by at least two other independent insurance companies and determine whether the rates of premium offered by SHKI are at market level. Relevant members of the Group and SHKI have entered into and will enter into insurance policies to provide for detailed terms governing the relevant insurance obtained pursuant to such arrangement. 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

The annual cap for the Insurance Arrangement for each of the three financial years ending 30 June 2023 as set out in the 2020 Announcement was HK\$6,465,000, HK\$7,683,000, and HK\$9,886,000 respectively. The following table sets out the aggregate amount of insurance premiums paid by the Group to SHKI pursuant to the Insurance Arrangement during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount (HK\$)</b>
Financial year ended 30 June 2021	3,678,000
Financial year ended 30 June 2022	4,390,000
Six-month period ended 31 December 2022	2,274,000

### Proposed annual caps and basis of cap

The proposed annual caps for the aggregate amount of insurance premiums which may become payable to SHKI by the Group pursuant to the Insurance Arrangement for each of the three financial years ending 30 June 2026 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>
Insurance premiums pursuant to the Insurance Arrangement	9,700,000	10,300,000	10,900,000

Such annual caps are determined with reference to the estimated insurance protection requirements of the Group and the likely level of insurance premium at which the Group will be able to obtain the relevant insurance cover.

The Insurance Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) confirm that the Insurance Arrangement has been and will continue to be negotiated on an arm's length basis and on normal commercial terms, and the insurance premiums payable pursuant to such arrangement has been and will continue to be at market rates.

#### ***D. Provision of data centre security system maintenance services by the SHKP Group to the Group***

##### Background

The Group has from time to time engaged members of the SHKP Group to provide maintenance services for data centre security systems, including but not limited to the maintenance of CCTV and access control systems in data centres owned and/or operated by the Group (the “**Data Centre Security System Maintenance Arrangement**”) and the transactions thereunder were fully exempt as de minimis transaction stipulated under Rule 14A.76(1) of the Listing Rules. As the Group will continue to engage the relevant members of the SHKP Group to provide such services and the transactions under the Data Centre Security System Maintenance Arrangement are expected to exceed the de minimis threshold under Rule 14A.76(1) of the Listing Rules, it is anticipated that the Data Centre Security System Maintenance Arrangement will be subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and the Independent Shareholders' Approval requirements under Chapter 14A of the Listing Rules. The relevant members of the SHKP Group have charged and will continue to charge the relevant members of the Group service fees comparable to the rates chargeable by other third-party service providers taking into account the type and nature, scale, frequency and duration of the services involved.

## The New Agreement

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 data centre security system maintenance services to members of the Group for a period from 1 July 2023 to 30 June 2026 (both days inclusive). This agreement takes effect from the date of signing, and is a master agreement which sets out the principles upon which detailed terms are to be determined in respect of the provision of the data centre security system maintenance services. Relevant members of the Group and of the SHKP Group have entered into and will enter into separate and definitive agreements with detailed terms for the services required from time to time pursuant to such arrangement. The said principles include that the data centre security system maintenance services to be provided shall be negotiated on an arm's length basis and 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 charged to the Group by 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 Data Centre Security System Maintenance Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties.

## The historical amounts

The following table sets out the aggregate amount of fees paid by the Group pursuant to the Data Centre Security System Maintenance Arrangement during the Relevant Historical Periods:

<b>Relevant Historical Periods</b>	<b>Amount (HK\$)</b>
Financial year ended 30 June 2021	2,877,000
Financial year ended 30 June 2022	2,489,000
Six-month period ended 31 December 2022	1,190,000

## Proposed annual caps and basis of cap

The proposed annual caps for the aggregate amount of fees payable by the Group pursuant to the Data Centre Security System Maintenance Arrangement for each of the three financial years ending 30 June 2026 are set out below:

	<b>For the financial year ending 30 June</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<b>(HK\$)</b>	<b>(HK\$)</b>	<b>(HK\$)</b>
Fees pursuant to the Data Centre Security System Maintenance Arrangement	6,400,000	6,800,000	7,300,000

The proposed 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 Group and the anticipated level of fees which the members of SHKP Group may charge in respect of such services.

It is expected that the level of demand for and scale of such services will increase as there will be more security systems requiring maintenance pursuant to the Data Centre Security System Maintenance Arrangement and as a result of fair wear and tear of the existing security 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 security systems installed. As such, the transactions under the Data Centre Security System Maintenance Arrangement are expected to exceed the de minimis threshold under Rule 14A.76(1) of the Listing Rules and it is anticipated that the Data Centre Security System Arrangement will be subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and the Independent Shareholders' Approval requirements under Chapter 14A of the Listing Rules.

The Data Centre Security System Maintenance Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) confirm that the Data Centre Security System Maintenance Arrangement has been and will continue to be negotiated on an arm's length basis and on normal commercial terms, and the service fees payable to the SHKP Group have been and will continue to be at rates comparable to the rates chargeable by other third-party service providers taking into account the type and nature, scale, frequency and duration of the services involved.

### **3. 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 (including the independent non-executive Directors in respect of the Transactions Exempt from Approval only) consider that the entering into of each of the Continuing Connected Transactions is in the commercial interest of the Group. The Directors (including the independent non-executive Directors in respect of the Transactions Exempt from Approval only) consider that the Transactions Requiring Approval and the Transactions Exempt from Approval 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 (including the independent non-executive Directors in respect of the Transactions Exempt from Approval only) also consider that the relevant annual caps for the three financial years ending 30 June 2024, 2025 and 2026 of the Transactions Requiring Approval and the Transactions Exempt from Approval are fair and reasonable.

In relation to the Transactions Requiring Approval, the Independent Board Committee will advise on the terms of the Transactions Requiring Approval and its advice to the Independent Shareholders will be set out in the circular to be despatched to the Shareholders.

## **LISTING RULES IMPLICATIONS**

### **Relationship with SHKP**

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.

### **Transactions Exempt from Approval**

In respect of each category of the Transactions Exempt from Approval, it is anticipated that the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated thereunder (when separately aggregated), on an annual basis, will be more than 0.1% but will be less than 5%. Hence, each category of the Transactions Exempt from Approval will constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are only subject to the reporting, announcement and annual review requirements and are exempt from the circular (including independent financial advice) and the 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 Transactions Exempt from Approval and they have therefore abstained from voting on the Board resolutions approving the Transactions Exempt from Approval. As Mr. Cheung Wing-yui is a consultant of the firm of solicitors which provides professional services to the Company in relation to the Transactions Exempt from Approval, he has also abstained from voting on the Board resolutions approving the Transactions Exempt from Approval 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 Transactions Exempt from Approval to avoid potential conflicts of interests. Given 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 Insurance Arrangement, and they have therefore abstained from voting on the Board resolutions approving the Insurance Arrangement.

### **Transactions Requiring Approval**

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 connected transactions of the Company under Chapter 14A of the Listing Rules. The Transactions Requiring Approval 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 Transactions Requiring Approval 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 the relevant annual cap set out below:

Category of the Transactions Requiring Approval	Proposed annual caps		
	for the financial year ending 30 June		
	2024	2025	2026
	(HK\$)	(HK\$)	(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 for the Transactions Requiring Approval or the relevant annual caps stated above 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 Transactions Requiring Approval and they have therefore abstained from voting on the Board resolutions approving the Transactions Requiring Approval. As Mr. Cheung Wing-yui is a consultant of the firm of solicitors which provides professional services to the Company in relation to the Transactions Requiring Approval, he has also abstained from voting on the Board resolutions approving the Transactions Requiring Approval 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 Transactions Requiring Approval to avoid potential conflicts of interests.

## **INDEPENDENT SHAREHOLDERS' APPROVAL IN RESPECT OF THE TRANSACTIONS REQUIRING APPROVAL**

It is proposed that ordinary resolutions will be proposed at the EGM to approve (by way of poll) the Transactions Requiring Approval together with the proposed annual caps therefor as mentioned above. Shareholders who are not Independent Shareholders will be required to abstain from voting on the ordinary resolutions.

An Independent Board Committee has been appointed to advise the Independent Shareholders on whether or not the terms of the Transactions Requiring Approval 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 Transactions Requiring Approval.

A circular containing, among other things, (i) further information on the Transactions Requiring Approval; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Transactions Requiring Approval; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions Requiring Approval; and (iv) the notice of the EGM to be convened at

which ordinary resolutions will be proposed to approve the Transactions Requiring Approval and matters contemplated thereunder is currently expected to be despatched to the Shareholders on or before 24 May 2023.

## **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. The principal activity of SHKI is provision of general insurance underwriting and services in and from Hong Kong.

## **EGM**

The EGM will be held on Wednesday, 21 June 2023 and the notice of the EGM will be published and despatched to the Shareholders and the Noteholders accordingly.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to determine Shareholders' entitlements 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 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 the Convertible Notes, 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.



## DEFINITIONS

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

“2020 Announcement”	the announcement of the Company dated 5 May 2020
“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
“Company”	SUNeVision Holdings Ltd. 新意網集團有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1686)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the transactions between the respective members of the Group and of the SHKP Group pursuant to the Transactions Requiring Approval and the Transactions Exempt from Approval
“Convertible Note(s)”	the convertible note(s) constituted by a deed poll dated 25 November 2010 and issued by the Company, which are convertible into Shares at the conversion price of HK\$0.10 per Share (subject to adjustment in accordance with the said deed poll) upon the exercise of the conversion rights attached to the convertible notes
“Data Centre Security System Maintenance Arrangement”	the data centre security system maintenance services provided or to be provided by the SHKP Group to the Group as referred to and defined in section 2.II.D of this announcement
“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 Transactions Requiring Approval
“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
“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 Shareholders”	Shareholders that are not required to abstain from voting at a general meeting to approve the Transactions Requiring Approval
“Independent Shareholders’ Approval”	the approval of the Independent Shareholders
“Insurance Arrangement”	the provision of insurance services by SHKI to the Group as referred to and defined in section 2.II.C of this announcement
“IT”	information technology incorporating internet related services and business
“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.I.B of this announcement
“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.I.D of this announcement
“New Agreements”	the agreements all dated 3 May 2023 entered into between the Company on the one hand and SHKP or SHKI on the other hand (as the case may be) governing the Transactions Requiring Approval and the Transactions Exempt from Approval and “New Agreement” means any one of them
“Noteholder(s)”	the holder(s) of the Convertible Notes
“Property Management Arrangement”	the provision of the property management services by the SHKP Group to the Group as referred to and defined in section 2.II.B of this announcement
“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
“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)
“SHKI”	Sun Hung Kai Properties Insurance Limited 新鴻基地產保險有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP

“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
“Space and Rack Rental Arrangement”	the leasing and licensing of the space and racks located in the Group’s data centres by the Group to the SHKP Group as referred to and defined in section 2.II.A of this announcement
“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.I.A of this announcement
“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.I.C of this announcement
“Transactions Exempt from Approval”	the transactions under the Space and Rack Rental Arrangement, the Property Management Arrangement, the Insurance Arrangement and the Data Centre Security System Maintenance Arrangement
“Transactions Requiring Approval”	the transactions under the System and Networking Arrangement, the Maintenance Arrangement, the System and Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement
“%”	per cent

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

Hong Kong, 3 May 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*