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SUNVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1686)

MAJOR AND CONNECTED TRANSACTION — BUILDING CONTRACT

On 3 November 2020, Easy Vision, a wholly-owned subsidiary of the Company, entered into the Building Contract with the Main Contractor, pursuant to which the Main Contractor has agreed to carry out, take full responsibility for the care of, and complete the Works for the Project (involving the construction of a high-tier data centre comprising two towers on the Land at Wan Po Road, Area 85, Tseung Kwan O, New Territories, Hong Kong, with a maximum gross floor area of approximately 1.2 million square feet) at a Contract Sum of HK\$3,605,000,000, subject to adjustments.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHKP is a substantial Shareholder indirectly holding an aggregate of 1,719,427,500 Shares, representing approximately 73.65% 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 Building Contract with the Main Contractor constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Building Contract calculated pursuant to Rule 14.07 of the Listing Rules exceeds 25% but all are less than 100%, the entering into of the Building Contract constitutes (i) a major transaction of the Company under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement and the Independent Shareholders' Approval requirements pursuant to Chapters 14 and 14A of the Listing Rules respectively.

GENERAL

The Company will seek the Independent Shareholders' Approval (by way of poll) in relation to the Building Contract.

A circular containing, among other things, (i) further information on the Building Contract; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Building Contract; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Building Contract; and (iv) the notice of the EGM to be convened at which an ordinary resolution will be proposed to approve the Building Contract and matters contemplated thereunder is currently expected to be despatched to the Shareholders on or before 24 November 2020.

THE BUILDING CONTRACT

On 3 November 2020, Easy Vision, a wholly-owned subsidiary of the Company, entered into the Building Contract with the Main Contractor, pursuant to which the Main Contractor has agreed to carry out, take full responsibility for the care of, and complete the Works for the Project (involving the construction of a high-tier data centre comprising two towers on the Land at Wan Po Road, Area 85, Tseung Kwan O, New Territories, Hong Kong) at a Contract Sum of HK\$3,605,000,000, subject to adjustments. Principal terms of the Building Contract are summarised below:

Date	:	3 November 2020
Parties	:	Easy Vision; 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 Works for the Project on the terms of the Building Contract.

The Works comprises construction of a high-tier data centre consisting of two towers with a maximum gross floor area of approximately 1.2 million square feet and certain fitting out works and all external works including coordination of various nominated sub-contracted works that are tendered out separately. The Works will be carried out in two phases, namely (i) the Phase 1 Works, being the construction of 10 storeys and one-level of basement of Tower A and a two-level basement of Tower B on the Land; and (ii) the Phase 2 Works, being the construction of 10 storeys of Tower B (which includes superstructure construction of Tower B only) on the Land.

The Main Contractor was selected by Easy Vision 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 Works.

Contract Sum : HK\$3,605,000,000 (which comprises the contract sum for the Phase 1 Works of HK\$2,030,000,000 and the contract sum for the Phase 2 Works of HK\$1,575,000,000), subject to adjustments in accordance with the terms of the Building Contract in relation to any changes or additions to the scope of the Works such as variations to the design, quality or quantity of the Works, alteration of the kind or standard of materials or goods to be used for the Works, rectifications of the Works or any additional costs and expenses in relation to the foregoing. Such adjustments will be made based on instructions provided by the independent architect after it has obtained Easy Vision’s agreement to the same, and the amount involved will be ascertained by the independent quantity surveyor.

Subject to fulfillment of the condition precedent of the Building Contract, the Phase 1 Works are tentatively expected to commence in around March 2021, while the Phase 2 Works will commence at a later date which shall be determined by Easy Vision. Easy Vision may terminate the engagement of the Main Contractor for the Phase 2 Works on or before 31 January 2024, upon which the Contract Sum shall accordingly be reduced by HK\$1,575,000,000.

As advised by the independent quantity surveyor, it is the usual practice that approximately 5% to 10% of the 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 Contract Sum in this case. As such, it is estimated that the final Contract Sum will not exceed 110% of the original Contract Sum (i.e. not exceeding approximately HK\$3,965,500,000).

Easy Vision may extend the defects liability period for the Works from 12 months to 24 months by payment to the Main Contractor of an amount of HK\$3,500,000 for the Phase 1 Works and HK\$2,600,000 for the Phase 2 Works (the “**Defects Liability Period Extension Price**”).

It is therefore estimated that the aggregate consideration payable under the Building Contract will not exceed HK\$3,971,600,000, being the sum of (i) the Contract Sum of HK\$3,605,000,000 plus 10% contingency; and (ii) the aggregate Defects Liability Period Extension Price of HK\$6,100,000.

The Contract Sum and the Defects Liability Period Extension Price were determined after arm's length negotiations with the Main Contractor and are on normal commercial terms.

The Contract Sum (subject to adjustments) and the Defects Liability Period Extension Price will be paid in cash and funded by the Group's internal resources and/or bank financing.

Payment Terms : Easy Vision will make progress payments to the Main Contractor based on estimated value of the Works properly executed and of the materials and goods delivered for use in the Works in accordance with the architect certificates with the relevant amounts stated (subject to the right on the part of Easy Vision to retain a certain sum therefrom which will not in general exceed 10% of each progress payment and the maximum aggregate amount of such retention shall not in general exceed 5% of the contract sum for the Phase 1 Works and of the contract sum for the Phase 2 Works respectively) to be issued monthly by the independent architect for the Project during the course of the Project. Upon the Main Contractor's presentation of the architect certificates to Easy Vision, Easy Vision will verify and settle the relevant amounts within 45 days thereafter. One moiety of the total amounts retained as aforementioned shall be paid to the Main Contractor within 45 days after the Main Contractor's presentation to Easy Vision of the substantial completion certificate issued by the architect, while 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.

Condition Precedent : The Building Contract and the transactions contemplated thereunder being approved by the Independent Shareholders at a general meeting of the Company.

Expected date of commencement and completion of the Works : Subject to fulfillment of the condition precedent of the Building Contract, (i) the Phase 1 Works are tentatively expected to commence in around March 2021 and to be completed within 838 days from and including the commencement date; and (ii) the Phase 2 Works will commence on a date to be determined by Easy Vision, which is tentatively expected to be in around June 2024, and are expected to be completed within 792 days from and including the commencement date.

REASONS FOR AND BENEFITS OF ENTERING INTO THE BUILDING CONTRACT

Enhancing and expanding high-tier data centre capacity

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 business is capital intensive requiring significant continued investment to ensure the facilities remain state-of-the-art. The Group aims to build a portfolio of data centres equipped with superior infrastructure and facilities at different locations, connected by high-speed dark fibres to form a campus to meet customers' needs for high-quality data centre facilities. The Project, which involves the construction of a new purpose-built high-tier data centre on the Land owned by the Group in Tseung Kwan O with high power capacity and outstanding architecture resilience, will enhance and expand the Group's high-tier data centre capacity in strategic sites by approximately 1.2 million square feet of gross floor area. Upon completion, this new data centre can increase the Group's supply of data centre capacity in the medium to long term and can ensure the Group's customers have room for fast expansion as they grow. In addition, as the Land is located next to the Group's current data centre MEGA Plus on Tseung Kwan O Town Lot No. 122, the Project will also enable the Group to achieve substantial synergies in operations and infrastructure investment.

Leveraging on expertise

The Project, which is a substantial investment of the Group, requires technical expertise in the areas of construction, electrical and mechanical engineering, as well as advent of technology and innovation in data centre facilities. The Group has engaged various experienced professionals with relevant expertise for the Project. The Main Contractor was selected as the successful tenderer for the Works of the Project, which is one of the major fundamental construction steps for the Project.

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 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 of the Project.

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) consider that the Building Contract is on normal commercial terms and that its terms are fair and reasonable and in the interests of the Company 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 1,719,427,500 Shares, representing approximately 73.65% 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 Building Contract with the Main Contractor constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Building Contract calculated pursuant to Rule 14.07 of the Listing Rules exceeds 25% but all are less than 100%, the entering into of the Building Contract constitutes (i) a major transaction of the Company under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement and the Independent Shareholders' Approval requirements pursuant to Chapters 14 and 14A of the Listing Rules respectively.

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

INDEPENDENT SHAREHOLDERS' APPROVAL IN RESPECT OF THE BUILDING CONTRACT

It is proposed that an ordinary resolution will be proposed at the EGM to approve (by way of poll) the Building Contract. Shareholders who are not Independent Shareholders will be required to abstain from voting on the ordinary resolution.

An Independent Board Committee has been appointed to advise the Independent Shareholders on whether or not the terms of the Building Contract 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 Building Contract.

A circular containing, among other things, (i) further information on the Building Contract; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Building Contract; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Building Contract; and (iv) the notice of the EGM to be convened at which an ordinary resolution will be proposed to approve the Building Contract and matters contemplated thereunder is currently expected to be despatched to the Shareholders on or before 24 November 2020.

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 activity of the Main Contractor is building construction.

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.

EGM

The EGM will be held on Tuesday, 22 December 2020 and the notice of the EGM will be published and despatched to the Shareholders and the noteholders of the Company 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 Thursday, 17 December 2020 to Tuesday, 22 December 2020, 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 Wednesday, 16 December 2020.
- (ii) In the case of the convertible notes of the Company, in order to be entitled to attend and vote at the EGM, the notice of conversion accompanied by the relevant note certificate and payment of the necessary amount should have been surrendered to and deposited with the Company's registrar in respect of the convertible notes, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for conversion into Shares not later than 4:30 p.m. on Wednesday, 4 November 2020.

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
“Building Contract”	the building contract dated 3 November 2020 entered into between Easy Vision and the Main Contractor in relation to the Works for the Project
“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)
“Contract Sum”	HK\$3,605,000,000 (which comprises the contract sum for the Phase 1 Works of HK\$2,030,000,000 and the contract sum for the Phase 2 Works of HK\$1,575,000,000) (subject to adjustments), being the contract sum payable by Easy Vision to the Main Contractor pursuant to the Building Contract
“Director(s)”	the director(s) of the Company
“Easy Vision”	Easy Vision Development Limited 易信發展有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Building Contract
“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 the EGM on the resolution to approve the Building Contract
“Independent Shareholders’ Approval”	the approval of the Independent Shareholders
“Land”	a piece of land located at Wan Po Road, Area 85, Tseung Kwan O, New Territories, Hong Kong and registered in the Land Registry as Tseung Kwan O Town Lot No. 131
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as may be amended from time to time)
“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
“Phase 1 Works”	the construction of Tower A (with 10 storeys and one-level of basement) and a two-level basement carpark of Tower B on the Land
“Phase 2 Works”	the construction of 10 storeys of Tower B (which includes superstructure construction of Tower B only) on the Land
“Project”	the development comprising a high-tier data centre consisting of two towers to be constructed on the Land
“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
“Tower A”	a 10-storey building with one-level of basement named as Tower 2 in the Building Contract to be constructed under the Phase 1 Works
“Tower B”	a 10-storey building with two-level of basement named as Tower 1 in the Building Contract to be constructed under the Phase 2 Works, with its two-level of basement to be constructed under the Phase 1 Works
“Works”	the Phase 1 Works and the Phase 2 Works
“%”	per cent

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

Hong Kong, 3 November 2020

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