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

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sun^eVISION

SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1686)

MAJOR TRANSACTION

SUCCESSFUL TENDER OF LAND

Unless the context otherwise requires, all capitalised terms used in this circular shall have the meanings as set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 4 to 7 of this circular.

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

Hong Kong, 24 January 2019

Choice of language or means of receipt of corporate communications

This circular is now available in printed form in English and in Chinese, and on the website of the Company.

If (i) registered shareholders/noteholders, who have received or chosen to receive a printed copy of this circular, wish to receive the same in the other language to that chosen by the registered shareholders/noteholders; or (ii) registered shareholders/noteholders, who have received or chosen to receive or are deemed to have consented to receive this circular by electronic means, wish to receive a printed copy, or who for any reason have difficulty in receiving or gaining access to this circular on the Company's website, they may obtain the same free of charge by sending a request to (a) in the case of registered shareholders, the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited ("**Computershare**"), by post to 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by email at sunevision@computershare.com.hk; or (b) in the case of noteholders, the Company's registrar in respect of the convertible notes, Tricor Investor Services Limited ("**Tricor**"), by post to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email at sunevision-ecom@hk.tricorglobal.com.

For registered shareholders/noteholders who wish to change their choice of language or means of receipt of the Company's future corporate communications free of charge, they may at any time notify (i) in the case of registered shareholders, Computershare, by post or by email (at the address or email address mentioned above); or (ii) in the case of noteholders, Tricor, by post or by email (at the address or email address mentioned above).

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DEFINITIONS

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

“Acquisition”	the acquisition of the Land under the terms of the Tender and the Conditions of Sale;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	SUNeVision Holdings Ltd. 新意網集團有限公司, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 1686);
“Conditions of Sale”	the conditions of sale of the Land annexed to the tender notice (including the form of the Memorandum of Agreement and the plan annexed thereto) as set out in the Tender documents;
“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;
“Government”	the Government of Hong Kong;
“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;
“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;

DEFINITIONS

“Land Premium”	the land premium of HK\$5,456,007,800, being the consideration for the Acquisition;
“Latest Practicable Date”	17 January 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Letter”	a letter from the Lands Department of the Government to Easy Vision dated 12 December 2018 notifying the acceptance of the Tender;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as may be amended from time to time);
“Memorandum of Agreement”	the memorandum of agreement dated 8 January 2019 entered into between the Government and Easy Vision in respect of the Acquisition;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as may be amended from time to time);
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“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 securities 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;

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sunco”	Sunco Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SHKP;
“Tender”	sale of the Land by the Government by way of tender; and
“%”	per cent.

LETTER FROM THE BOARD



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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)

Executive Directors:

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

Non-Executive Directors:

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

Independent Non-Executive Directors:

Li On-kwok, Victor
King Yeo-chi, Ambrose
Wong Kai-man
Kwok Kwok-chuen
Lee Wai-kwong, Sunny

Registered Office:

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

Head Office and Principal

Place of Business:

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

24 January 2019

To the Shareholders and the noteholders of the Company

Dear Sir/Madam,

MAJOR TRANSACTION

SUCCESSFUL TENDER OF LAND

1. INTRODUCTION

Reference is made to the announcement of the Company dated 12 December 2018 in relation to the Letter received from the Lands Department of the Government confirming that the Tender by Easy Vision for the Land at the Land Premium of HK\$5,456,007,800 had been accepted.

LETTER FROM THE BOARD

The Acquisition constitutes a major transaction for the Company under the Listing Rules.

The purpose of this circular is to provide you with, among other things, further details of the Acquisition and the general information of the Group.

2. THE TENDER AND THE ACQUISITION

Date of the Letter

12 December 2018

Parties to the Acquisition

- (1) the Government, as the vendor
- (2) Easy Vision, a wholly-owned subsidiary of the Company, as the purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Government is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Information on the Land as set out in the Conditions of Sale

Location	:	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
Site area	:	Approximately 27,444 square metres
Maximum gross floor area	:	112,640 square metres
Minimum gross floor area	:	67,584 square metres
Term	:	50 years from the date of the Memorandum of Agreement

LETTER FROM THE BOARD

Permitted use : The purpose of a high-tier data centre designed and used for housing computer systems, servers, telecommunication equipment and associated support components in secured and controlled environment to perform computing and storage or transmission of digital data

Under the terms of the Conditions of Sale, Easy Vision entered into the Memorandum of Agreement with the Government in respect of the Acquisition on 8 January 2019.

Land Premium and payment terms

The Land Premium payable amounted to HK\$5,456,007,800. In determining the Land Premium, the Company took into account various factors including the development prospects of the Land, encompassing the synergetic effect with the existing data centre facility of the Group, MEGA Plus, situated on a piece of land right next to the Land, and the growth of business of the Group, with the anticipation of increase in customers' demand due to data growth in many industries globally, and adoption of new technologies such as cloud computing, artificial intelligence and 5G.

A deposit of HK\$50,000,000 paid at the time when the Tender was submitted had been applied in part payment of the Land Premium, and the remaining balance of HK\$5,406,007,800 had been paid on 7 January 2019.

The Land Premium was funded by the Group's internal resources and external resources, including unsecured loans from the SHKP Group.

3. REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group are the provision of data centre, facilities management and value-added services, and installation and maintenance services. The Group has extensive experience in operating data centres and is one of the major providers of carrier-neutral data centre services in Hong Kong.

It is expected that the Land will support the Group's business growth, which will enhance the Group's income base in the long term.

The Directors consider that the terms of the Acquisition are fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

4. FINANCIAL EFFECTS OF THE ACQUISITION

The financial effects to the Group upon completion of the Acquisition are (a) an increase in assets of approximately HK\$5,482,400,000; (b) an increase in liabilities of approximately HK\$5,482,400,000; and (c) an insignificant effect on the earnings of the Group.

5. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but all are less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval of the Acquisition from Sunco, which holds 1,674,427,500 Shares (representing approximately 72.00% of the entire issued share capital of the Company). To the best of the Directors' knowledge and information, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition. Accordingly, pursuant to Rule 14.44 of the Listing Rules, the Acquisition has been approved by way of written Shareholders' approval in lieu of holding a general meeting of the Shareholders.

Since the Land is acquired from the Government by way of a sealed tender, valuation of the Land is not required under Rule 5.02A(1) of the Listing Rules.

6. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
SUNEVISION HOLDINGS LTD.
Tang Ching-kong
Company Secretary

1. THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 30 June 2016, 2017 and 2018 together with the relevant notes to the financial statements of the Group can be found on pages 50 to 92 of the annual report of the Company for the year ended 30 June 2016, pages 62 to 104 of the annual report of the Company for the year ended 30 June 2017, and pages 64 to 108 of the annual report of the Company for the year ended 30 June 2018. Please also see below the hyperlinks to the said annual reports.

2016:

<http://www3.hkexnews.hk/listedco/listconews/GEM/2016/0927/GLN20160927013.pdf>

2017:

<http://www3.hkexnews.hk/listedco/listconews/GEM/2017/0914/GLN20170914031.pdf>

2018:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0920/LTN20180920503.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 30 November 2018, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, an aggregate amount of approximately HK\$2,568,058,000 (with principal amount of HK\$2,600,000,000) was outstanding under the Group's unsecured bank loans.

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have any outstanding mortgages, charges, debentures, loan capital and overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptance or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on 30 November 2018.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, upon completion of the Acquisition and after taking into account the financial resources available to the Group including the internally generated funds, available credit facilities and loan from the SHKP Group, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

So far as the Directors are aware, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 30 June 2018, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The principal business activities of the Group include the provision of data centre, facilities management and value added services, and installation and maintenance services. As disclosed in the 2017-18 Annual Report of the Group for the year ended 30 June 2018 and dated 5 September 2018, the Group recorded a profit attributable to owners of the Company of HK\$776.4 million for the year ended 30 June 2018, representing a 23% increase over the previous financial year. Revenue of the Group for the year rose 20% to HK\$1,364.8 million, largely attributed to increased revenue from the Group's data centre operations.

The Group has sustained healthy growth during the financial year ended 30 June 2018, driven by the momentum from its core business in data centre operations. The new flagship data centre, MEGA Plus, in Tseung Kwan O, has commenced operations in October 2017, firmly establishing the Group as a leading data centre operator in the region. In January 2018, the Group acquired a new site in Tsuen Wan to further the Group's business growth, which will enhance the Group's income base in the long term.

The Group maintains an optimistic outlook for its data centre operations as the demand from customers remains strong despite increasing competition from existing and entry players. The Group will closely monitor the development of the competitive landscape and global economic developments, and adjust its business strategies accordingly. The Group will continue evaluating new growth opportunities in a prudent approach, including the expansion of its footprint with new data centre space, as well as the enhancement of existing data centre facilities.

1. RESPONSIBILITY STATEMENT

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

2. DIRECTORS' INTERESTS

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

(a) Long position in Shares and underlying Shares

Name of Director	Number of Shares held			Sub-total	Number of underlying shares held under equity derivatives	Total	% of Shares in issue as at the Latest Practicable Date
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Other interests				
Kwok Ping-luen, Raymond	—	—	3,485,000 ¹	3,485,000	—	3,485,000	0.15
Fung Yuk-lun, Allen	—	—	—	—	4,000,000 ²	4,000,000	0.17
Tong Kwok-kong, Raymond	—	—	—	—	4,000,000 ²	4,000,000	0.17
Kwok Kai-wang, Christopher	—	—	13,272,658 ^{1&3}	13,272,658	—	13,272,658	0.57
King Yeo-chi, Ambrose	1,000	—	—	1,000	—	1,000	0.00

Notes:

- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 3,485,000 Shares by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such Shares represented the same interests and were therefore duplicated between them.
- These underlying shares of the Company held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by the Company under its share option scheme. Particulars of these share options and their movements during the period from 1 July 2018 to the Latest Practicable Date (the “**Period**”) were as follows:

Name of Director	Date of grant	Exercise price per share HK\$	Exercise period	Number of share options				Balance as at the Latest Practicable Date
				Balance as at 01.07.2018	Granted during the Period	Exercised during the Period	Cancelled/ Lapsed during the Period	
Fung Yuk-lun, Allen	08.03.2016	2.45	08.03.2017 to 07.03.2021	4,000,000	—	—	—	4,000,000
Tong Kwok-kong, Raymond	19.06.2018	5.048	19.06.2019 to 18.06.2023	4,000,000	—	—	—	4,000,000

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

- Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 9,787,658 Shares by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.

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

(i) SHKP

Name of Director	Number of shares held				Sub-total	Number of underlying shares held under equity derivatives	Total	% of shares in issue as at the Latest Practicable Date
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Kwok Ping-luen, Raymond	188,743	70,000 ¹	—	524,284,686 ²	524,543,429	—	524,543,429	18.11
Tung Chi-ho, Eric	—	—	—	—	—	100,000 ³ (personal interests in share options)	100,000	0.00
Kwok Kai-wang, Christopher	110,000 ⁴	60,000 ⁵	—	651,238,101 ^{2&6}	651,408,101	—	651,408,101	22.48
David Norman Prince	2,000	—	—	—	2,000	—	2,000	0.00
Siu Hon-wah, Thomas	—	—	—	7,000 ⁷	7,000	—	7,000	0.00
Kwok Kwok- chuen	—	—	—	16,942 ⁸	16,942	—	16,942	0.00

Notes:

1. These shares in SHKP were held by the spouse of Mr. Kwok Ping-luen, Raymond.
2. Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 524,284,686 shares in SHKP by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.

3. These underlying shares of SHKP held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by SHKP under its share option scheme. Particulars of these share options and their movements during the Period were as follows:

Name of Director	Date of grant	Exercise price per share <i>HK\$</i>	Exercise period	Number of share options				Balance as Latest Practicable Date
				Balance as at 01.07.2018	Granted during the Period	Exercised during the Period	Cancelled/ Lapsed during the Period	
Tung Chi-ho, Eric	11.07.2014	106.80	11.07.2015 to 10.07.2019	100,000	—	—	—	100,000

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

4. These shares in SHKP were held jointly with the spouse of Mr. Kwok Kai-wang, Christopher.
5. These shares in SHKP were held by the spouse of Mr. Kwok Kai-wang, Christopher.
6. Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 126,953,415 shares in SHKP by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.
7. These shares in SHKP were held jointly with the spouse of Mr. Siu Hon-wah, Thomas.
8. These shares in SHKP were held jointly with the spouse of Mr. Kwok Kwok-chuen.

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

Name of Director	Number of shares held			Number of underlying shares held under equity derivatives	Total	% of shares in issue as at the Latest Practicable Date
	Personal interests (held as beneficial owner)	Other interests	Sub-total			
Kwok Ping-luen, Raymond	—	5,111,968 ¹	5,111,968	—	5,111,968	0.46
Fung Yuk-lun, Allen	437,359	—	437,359	—	437,359	0.04
Kwok Kai-wang, Christopher	—	11,894,301 ^{1&2}	11,894,301	—	11,894,301	1.06

Notes:

- Messrs. Kwok Ping-luen, Raymond and Kwok Kai-wang, Christopher were deemed to be interested in 5,111,968 shares in SmarTone by virtue of them being beneficiaries of a discretionary trust for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between them.
- Mr. Kwok Kai-wang, Christopher was also deemed to be interested in 6,782,333 shares in SmarTone by virtue of him being a beneficiary of a discretionary trust for the benefit of the sons of Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO.

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

Name of associated corporation	Attributable shares held through corporation	Attributable % of shares in issue through corporation as at the Latest Practicable Date		Actual shares held through corporation	Actual % of interests in issued shares as at the Latest Practicable Date	
		Latest Practicable Date	Latest Practicable Date		Latest Practicable Date	Latest Practicable Date
Splendid Kai Limited	2,500	25.00		1,500 ¹	15.00	
Hung Carom Company Limited	25	25.00		15 ¹	15.00	
Tinyau Company Limited	1	50.00		1 ¹	50.00	
Open Step Limited	8	80.00		4 ¹	40.00	

Note:

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

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

3. COMMON DIRECTORS

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

Name of Common Directors	Name of Company
Kwok Ping-luen, Raymond	SHKP
Tung Chi-ho, Eric	
Fung Yuk-lun, Allen	
Kwok Kai-wang, Christopher	

4. COMPETING INTERESTS

Professor Li On-kwok, Victor, an Independent Non-Executive Director of the Company, is a well recognised leader in the field of information technology development and has been appointed to various positions including consultants and directors to institutions and business entities which are engaged in research, development and relevant business.

Professor Li is a co-founder and a director of Fano Labs Limited, which is a spin-off from The University of Hong Kong and an artificial intelligence company building multilingual virtual customer assistant for large enterprises, with primary clients being mostly leaders in the utility industry and property development industry. Professor Li also serves as a director of Versitech Limited, a non-profit making company and the commercial arm of The University of Hong Kong, which negotiates, executes and manages commercial business contracts and agreements on behalf of The University of Hong Kong. He is also an alternate director of the Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies, a research centre founded with funding from the Hong Kong Government and hosted by three universities in Hong Kong, which supports and performs applied research related to logistics and supply chain management.

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

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

5. DIRECTORS' INTERESTS IN CONTRACTS

- (a) None of the Directors has entered or is proposing to enter into any service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.
- (b) On 31 December 2013, Wealth Up Development Limited (“**Wealth Up**”), a wholly-owned subsidiary of the Company, entered into a project management agreement (the “**Project Management Agreement**”) with Sun Hung Kai Real Estate Agency Limited (“**SHK Real Estate**”), a wholly-owned subsidiary of SHKP, for a project management fee of HK\$4,500,000 in relation to the appointment of SHK Real Estate as the project manager to generally manage, supervise and control the project for the development of a high-tier data centre to be constructed on a piece of land located at Wan Po Road, Area 85, Tseung Kwan O, New Territories, Hong Kong and registered in the Land Registry as Tseung Kwan O Town Lot No. 122 (the “**TKO Land**”).

Given that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric, Fung Yuk-lun, Allen and Kwok Kai-wang, Christopher are directors of both the Company and SHKP, and that Messrs. Tung Chi-ho, Eric and Chan Hong-ki, Robert are directors of both the Company and SHK Real Estate, they are regarded as materially interested in the Project Management Agreement and the transaction contemplated thereunder. Further particulars of the Project Management Agreement were set out in the announcement of the Company dated 31 December 2013.

- (c) On 22 May 2015, Wealth Up entered into a building contract (the “**Building Contract**”) with Sanfield Engineering Construction Limited (“**Sanfield**”), a wholly-owned subsidiary of SHKP, pursuant to which Sanfield has agreed to carry out works, which include the construction of a high-tier data centre consisting of two towers on the TKO Land from pile cap upwards with an estimated maximum gross floor area of approximately 44,000 square metres (the “**Project**”) and certain fitting-out works and all external works, at a contract sum of HK\$1,038,800,000, subject to adjustments.

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

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

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

- (e) (i) On 2 May 2017, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under certain networking arrangements concerning the design, installation, operation and provision of satellite master antenna television system (“**SMATV**”)/communal aerial broadcasting distribution (“**CABD**”), access control and other security systems and laying of network cabling system, optical fiber network, broadband network and other information technology (“**IT**”) infrastructure networks in buildings owned and/or managed by the SHKP Group on a project basis (the “**Networking Arrangement**”) to members of the SHKP Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 was HK\$109,300,000.
- (ii) On 2 May 2017, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under certain maintenance arrangements concerning the maintenance and repair works for SMATV/ CABD, access control and other security systems and cabling systems, optical fiber network, broadband network, computer systems and other

IT infrastructure networks in buildings owned and/or managed by the SHKP Group on a project basis (the “**Maintenance Arrangement**”) to members of the SHKP Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 was HK\$77,700,000.

- (iii) On 2 May 2017, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under certain networking sub-contracting arrangements concerning the provision of services pursuant to the Networking Arrangement to members of the Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 was HK\$20,100,000.
- (iv) On 2 May 2017, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under certain maintenance sub-contracting arrangements concerning the provision of services pursuant to the Maintenance Arrangement to members of the Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 was HK\$8,600,000.
- (v) On 2 May 2017, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to enter into certain arrangements concerning the leasing and licensing of premises in Hong Kong to members of the Group for the purpose of providing data centres and related services to the customers of the Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 was HK\$91,900,000.
- (vi) On 2 May 2017, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to let or license space and racks at the Group’s data centres to members of the SHKP Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 was HK\$3,600,000.

(vii) On 2 May 2017, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure relevant members of the SHKP Group to provide to the relevant members of the Group cleaning and sanitary services, security guard services, ad hoc facilities fixing services, small scale and miscellaneous repairs services in relation to data centres owned or leased by iAdvantage Limited (“**iAdvantage**”), a wholly-owned subsidiary of the Company and premises owned by other members of the Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 for the above transactions as well as other transactions pertaining to the provision of building management services by a member of the SHKP Group to the relevant members of the Group under certain deeds of mutual covenant and management agreements was HK\$18,600,000.

Given that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric, Fung Yuk-lun, Allen and Kwok Kai-wang, Christopher are directors of both the Company and SHKP, they are regarded as materially interested in the agreements mentioned in this paragraph 5(e) and the transactions contemplated thereunder. Further particulars of the agreements mentioned in this paragraph 5(e) were set out in the announcement of the Company dated 2 May 2017.

(f) On 2 May 2017, the Company and Sun Hung Kai Properties Insurance Limited (“**SHKI**”), a wholly-owned subsidiary of SHKP entered into an agreement pursuant to which the Company appointed SHKI to maintain the insurance coverage for the benefit of the Group for a period from 1 July 2017 to 30 June 2020 (both days inclusive) and the annual cap for each of the three financial years ending 30 June 2020 was HK\$4,900,000.

Given that Messrs. Kwok Ping-luen, Raymond, Cheung Wing-yui and Fung Yuk-lun, Allen are directors of both the Company and SHKI, they are regarded as materially interested in the agreement mentioned in this paragraph 5(f) and the transactions contemplated thereunder. Further particulars of the agreement mentioned in this paragraph 5(f) were set out in the announcement of the Company dated 2 May 2017.

- (g) On 16 May 2018, iAdvantage entered into a project management agreement (“**Project Management Agreement 2**”) with SHK Real Estate for a project management fee of HK\$11,000,000 in relation to the appointment of SHK Real Estate as the project manager to generally manage, supervise and control two projects for the construction of a building to be constructed on a piece of land located at Ma Kok Street, Tsuen Wan, New Territories, Hong Kong and registered in the Land Registry as Tsuen Wan Town Lot No. 428 and the revitalization of MEGA-iAdvantage located at Chai Wan (the “**Chai Wan Project**”).

Given that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric, Fung Yuk-lun, Allen and Kwok Kai-wang, Christopher are directors of both the Company and SHKP, and that Messrs. Tung Chi-ho, Eric and Chan Hong-ki, Robert are directors of both the Company and SHK Real Estate, they are regarded as materially interested in the Project Management Agreement 2 and the transactions contemplated thereunder. Further particulars of the Project Management Agreement 2 were set out in the announcement of the Company dated 16 May 2018.

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

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

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

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

- (j) Mr. Cheung Wing-yui, a Non-Executive Director, is a consultant of Messrs. Woo Kwan Lee & Lo, a solicitors firm which provided professional services to the Group (including in relation to the Acquisition as mentioned in this circular) and charged usual professional fees in respect thereof.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any other assets which have been acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group since 30 June 2018, the date to which the latest published audited financial statements of the Company were made up.

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

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the Group within two years immediately preceding the date of this circular and are or may be material:

- (a) Memorandum of agreement dated 30 January 2018 and the conditions of sale entered into between Capital Way (H.K.) Limited (“**Capital Way**”), a wholly-owned subsidiary of the Company and the Government in relation to the

acquisition by Capital Way of a piece of land located at Ma Kok Street, Tsuen Wan, New Territories, Hong Kong and registered in the Land Registry as Tsuen Wan Town Lot No. 428 at a consideration of HK\$725,800,000.

- (b) Memorandum of agreement dated 8 January 2019 and the conditions of sale entered into between Easy Vision and the Government in relation to the Acquisition at the Land Premium.
- (c) Loan Agreement as mentioned in paragraph 5(i) under the section headed “Directors’ Interests in Contracts” of this Appendix II.

7. LITIGATION

On 10 September 2018, the Company filed a notice of application for leave to apply for judicial review against Hong Kong Science and Technology Parks Corporation (“HKSTPC”) with the High Court in Hong Kong. The application was against the decision of HKSTPC in not taking immediate steps to rectify the failure or refusal to take reasonable steps to enforce restrictions in leases against subletting, parting with possession and/or sharing of occupation in the Tseung Kwan O Industrial Estate. On 9 October 2018, the High Court granted the Company leave to apply for judicial review.

Save as disclosed above and so far as the Directors are aware, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance was pending or threatened against any member of the Group as at the Latest Practicable Date.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the head office and principal place of business of the Company up to and including 15 February 2019:

- (a) the amended and restated memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 30 June 2017 and 2018;

- (c) the material contracts referred to under the section headed “Material Contracts” in this Appendix II; and
- (d) this circular.

9. MISCELLANEOUS

- (a) The registered office of the Company is situated at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The head office and principal place of business of the Company is situated at Unit 3110, 31/F, Standard Chartered Tower, Millennium City 1, 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Tang Ching-kong who is a solicitor of the High Court of the Hong Kong Special Administrative Region and a member of the Law Society of Hong Kong.