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

If you have sold or transferred all your shares in SUNEVISION HOLDINGS LTD., you should at once hand this circular together with the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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sunevision

SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

**CONTINUING CONNECTED TRANSACTIONS,
PROPOSAL FOR RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders
in relation to the Transactions Requiring Approval**


Optima Capital Limited

A letter from Optima Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 40 of this circular.

A notice dated 6 June 2014 convening an extraordinary general meeting of SUNEVISION HOLDINGS LTD. to be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 24 June 2014 at 3:00 p.m. is set out on pages 53 to 56 of this circular. Whether or not you are able to attend the extraordinary general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the extraordinary general meeting or any adjournment thereof if you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.sunevision.com.

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

Hong Kong, 6 June 2014

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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 at www.sunevision.com and the GEM website at www.hkgem.com.

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 could 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:

“2011 Announcement”	the announcement of the Company dated 16 May 2011
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed under the GEM Listing Rules (as may be amended from time to time)
“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., a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on GEM (Stock Code: 8008)
“Continuing Connected Transactions”	the transactions between the respective members of the Group and of the SHKP Group pursuant to the Transactions Requiring Approval
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, inter alia, the Transactions Requiring Approval and the re-election of the Retiring Directors
“Existing Approval”	the approval by the then Independent Shareholders in respect of the Networking Arrangement, the Maintenance Arrangement, the Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement at the extraordinary general meeting of the Company held on 24 June 2011
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Lease Arrangements”	the lease and license arrangements between the Group and the SHKP Group as defined in paragraph 2(ii)E of the letter from the Board set out in this circular

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“iAdvantage”	iAdvantage Limited, a wholly-owned subsidiary of the Company
“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 on the Transactions Requiring Approval at the EGM
“Independent Shareholders’ Approval”	the approval of the Independent Shareholders
“IT”	information technology incorporating internet related services and business
“Latest Practicable Date”	27 May 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Maintenance Arrangement”	the maintenance and repair services of network infrastructure and security systems provided or to be provided by the Group to the SHKP Group as defined in paragraph 2(ii)B of the letter from the Board set out in this circular
“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 defined in paragraph 2(ii)D of the letter from the Board set out in this circular
“Master Leasing Agreement”	the master leasing and licensing agreement dated 16 May 2014 entered into between the Company and SHKP
“Networking Arrangement”	the design, installation, operation and provision of cable networking services provided or to be provided by the Group to the SHKP Group as defined in paragraph 2(ii)A of the letter from the Board set out in this circular
“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 Networking Arrangement as defined in paragraph 2(ii)C of the letter from the Board set out in this circular

DEFINITIONS

“New Agreements”	the agreements all dated 16 May 2014 entered into between the Company on the one hand and SHKP on the other hand governing the Transactions Requiring Approval
“Optima”	Optima Capital Limited, a corporation licensed under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities, and appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions Requiring Approval
“Relevant Historical Periods”	the two financial years ended 30 June 2012 and 30 June 2013 respectively and the six-month period ended 31 December 2013
“Retiring Directors”	the Directors retiring at the EGM and, being eligible, are offering themselves for re-election at the EGM in accordance with the Articles of Association
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“SHKP”	Sun Hung Kai Properties Limited, 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)
“SHKP Group”	SHKP and its subsidiaries and associates from time to time, but excluding the Group
“SMATV”	satellite master antenna television system
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions Requiring Approval”	the transactions under the Networking Arrangement, the Maintenance Arrangement, the Networking Sub-contracting Arrangement, the Maintenance Sub-contracting Arrangement and the HK Lease Arrangements
“%”	per cent



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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: 8008)

Executive Directors:

Kwok Ping-luen, Raymond
Yan King-shun, Peter
Tung Chi-ho, Eric
Wong Chin-wah
So Wai-kei, Godwin

Registered Office:

P.O. Box 309, Uglan House
Grand Cayman
KY1-1104
Cayman Islands

Non-Executive Directors:

Cheung Wing-yui
Siu Hon-wah, Thomas
Tsim Wing-kit, Alfred
Fung Yuk-lun, Allen

Head Office and Principal Place of Business:

MEGATOP, MEGA-iAdvantage
399 Chai Wan Road
Chai Wan
Hong Kong

Independent Non-Executive Directors:

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

6 June 2014

To the Shareholders and, for information only, the Noteholders

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTIONS,
PROPOSAL FOR RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 16 May 2014. Pursuant to the requirements of the GEM Listing Rules, the Company is required to seek the Independent Shareholders' Approval in relation to the Transactions Requiring Approval, which constituted non-exempt continuing connected transactions of the Company under the GEM Listing Rules, and the respective annual caps therefor.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the Transactions Requiring Approval and the proposed re-election of Retiring Directors and to seek your approval of the ordinary resolutions approving the same to be proposed at the EGM, and to give you notice of EGM.

2. CONTINUING CONNECTED TRANSACTIONS

(i) Background

The Group has been conducting the Continuing Connected Transactions, details (including the relevant annual caps) of which were disclosed in the 2011 Announcement. The Networking Arrangement, the Maintenance Arrangement, the Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement and the annual caps therefor for the three financial years ending 30 June 2014 were approved at the extraordinary general meeting of the Company held on 24 June 2011 by the then Independent Shareholders.

(ii) The Continuation of the Continuing Connected Transactions

It is expected that the Group and the SHKP Group will from time to time continue to enter into transactions of a nature similar to the Continuing Connected Transactions after 30 June 2014. On 16 May 2014, the Company entered into the New Agreements with SHKP each for a term of three years commencing from 1 July 2014 and ending on 30 June 2017, each of which is conditional upon the obtaining of the approval of the Independent Shareholders.

Details of the Transactions Requiring Approval are set out below.

A. *Design, installation, operation and provision of cable 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 the design, installation, operation and provision of SMATV/CABD, access control and other security systems and laying of network cabling system (such as 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 “**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.

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The New Agreement

On 16 May 2014, 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 Networking Arrangement to members of the SHKP Group for a period from 1 July 2014 to 30 June 2017. 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 Networking Arrangement. The said principles include that the services to be provided by the Group to the SHKP Group pursuant to the 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 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 payment terms to be offered by the SHKP Group to the Group shall be no less favourable to the Group than the 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 Networking Arrangement, the Group will first ascertain from its suppliers and 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 their consideration. The markup, which is not a term of the New Agreement in respect of the Networking Arrangement, will be determined by the Group on a case by case basis when the definitive agreement governing the relevant transaction pursuant to the 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. The new agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 16 May 2011, which is due to expire on 30 June 2014.

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.

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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 Networking Arrangement. The 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 Networking Arrangement for each of the three financial years ending 30 June 2014 was HK\$65,000,000. The following table sets out the aggregate amount of service fees received by the Group pursuant to the Networking Arrangement during the Relevant Historical Periods:

Relevant Historical Periods	Approximate Amount (HK\$)
Financial year ended 30 June 2012	38,190,000
Financial year ended 30 June 2013	30,280,000
Six-month period ended 31 December 2013	14,460,000

Proposed annual cap and basis of cap

It is expected that the amount of service fees which may be received by the Group pursuant to the Networking Arrangement during each of the three financial years ending 30 June 2017 will not exceed HK\$65,000,000. The proposed annual cap is determined with reference to the historical amounts of such transactions, projected level of demand for such services by members of the SHKP Group and the anticipated level of fees which the Group may charge in respect of such services.

There are many new technology facilities available in the market recently, thus leading to new installations and/or upgrading of existing systems for service quality improvements. Furthermore, the increase in the demand for luxurious accommodation will generally raise the demand for the installation of advanced technology facilities in such accommodation. As such, as compared with the amount received by the Group during the Relevant Historical Periods, it is expected that the level of demand for the services will increase.

The Networking Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) confirm that, in view of the fact that the Group has to bid for the projects under the Networking Arrangement as set out above in most circumstances, the Networking Arrangement has been and will continue to be negotiated on an arm's length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) further confirm that in respect of the payment terms for the services provided,

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

B. Maintenance and repair of network infrastructure and security systems 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 certain members of the SHKP Group to carry out maintenance and repair works for SMATV/CABD, access control and other security systems and cabling systems (such as voice and data network, building services access, and power supply), 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**”). 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 16 May 2014, 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 commencing from 1 July 2014 and ending on 30 June 2017. 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 payment terms (including, 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, the quality and the duration of services required), the payment terms to be offered by the SHKP Group to the Group shall be no less favourable to the Group than the payment terms that may be offered to the Group by other independent third party customers. In deciding on the terms of the proposed transactions under the Maintenance Arrangement,

LETTER FROM THE BOARD

the Group will first ascertain from its suppliers and 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 their 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 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. The new agreement is in essence of substantially the same terms as those under the previous agreement entered into by the parties on 16 May 2011, which is due to expire on 30 June 2014.

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 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 2014 was HK\$63,500,000. 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:

Relevant Historical Periods	Approximate Amount <i>(HK\$)</i>
Financial year ended 30 June 2012	47,960,000
Financial year ended 30 June 2013	50,000,000
Six-month period ended 31 December 2013	24,860,000

LETTER FROM THE BOARD

Proposed annual cap and basis of cap

It is expected that before taking into account any service fee free periods which may be offered, the amount of service fees which may be received by the Group pursuant to the Maintenance Arrangement during each of the three financial years ending 30 June 2017 will not exceed HK\$64,400,000. The proposed annual cap is determined with reference to the historical amount of such transactions, projected level of demand for such services by members of the SHKP Group and the anticipated level of fees at 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 such services will increase as more systems are or will be installed pursuant to the Networking Arrangement and as a result of fair wear and tear, the frequency and extent of routine maintenance and repair works which may be required on the systems and networks installed are expected to increase.

The Maintenance Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) confirm that, in view of the fact that the Group has to bid for the projects under the Maintenance Arrangement as set out above in most circumstances, the Maintenance Arrangement has been and will continue to be negotiated on an arm's length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) further confirm that in respect of the payment terms (including, 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, the quality and the duration of services required), the payment terms have been and will continue to be no less favourable to the Group than the 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 Networking Arrangement

Background

In connection with the 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

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has from time to time engaged members of the SHKP Group to perform part of the works in connection with the Networking Arrangement that the Group needs to sub-contract to others (the “**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 tender offer made or to be made by the SHKP Group under the 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 tender offer as acceptable sub-contractors under the Networking Arrangement. Hence, in awarding the contract for the provision of services under the 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 main contract. 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 16 May 2014, 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 Networking Sub-contracting Arrangement to members of the Group for a period from 1 July 2014 to 30 June 2017. 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 Networking Sub-contracting Arrangement. The said principles include that the services to be provided by the SHKP Group to the Group pursuant to the 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 which are 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 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 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

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price to be paid by the Group to the SHKP Group under the Networking Sub-contracting Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties. 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 Networking Sub-contracting Arrangement. SHKP has agreed that the 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 16 May 2011, which is due to expire on 30 June 2014.

The historical amounts

Under the Existing Approval, the annual cap for the Networking Sub-contracting Arrangement for each of the three financial years ending 30 June 2014 was HK\$8,000,000. The following table sets out the aggregate fees paid by the Group pursuant to the Networking Sub-contracting Arrangement during the Relevant Historical Periods:

Relevant Historical Periods	Approximate Amount (HK\$)
Financial year ended 30 June 2012	2,830,000
Financial year ended 30 June 2013	1,460,000
Six-month period ended 31 December 2013	1,410,000

Proposed annual cap and basis of cap

It is expected that the aggregate amount of service fees which may be payable by the Group pursuant to the Networking Sub-contracting Arrangement during each of the three financial years ending 30 June 2017 will not exceed HK\$12,000,000. Such annual cap is determined with reference to the projected level of demand for such services by members of the Group and the anticipated level of fees at which the SHKP Group may charge in respect of such services. As mentioned in paragraph 2(ii)A above, the level of demand for services pursuant to the Networking Arrangement is 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

LETTER FROM THE BOARD

level of demand for services pursuant to the 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 Networking Sub-contracting Arrangement as compared with the amount paid by the Group during the Relevant Historical Periods.

The Networking Sub-contracting Arrangement has been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) confirm that the Networking Sub-contracting Arrangement has been and will continue to be negotiated on an arm's length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) further confirm that in respect of the payment terms for the services, 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 payment terms have been and will continue to be no less favourable to the Group than the 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 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 subject to a system which can only be supplied by members

LETTER FROM THE BOARD

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 16 May 2014, 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 2014 to 30 June 2017. 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 which are 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 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 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 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. SHKP has agreed that the 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 the services required 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 16 May 2011, which is due to expire on 30 June 2014.

LETTER FROM THE BOARD

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 2014 was HK\$3,800,000. The following table sets out the aggregate fees paid by the Group pursuant to the Maintenance Sub-contracting Arrangement during the Relevant Historical Periods:

Relevant Historical Periods	Approximate Amount (HK\$)
Financial year ended 30 June 2012	2,840,000
Financial year ended 30 June 2013	3,140,000
Six-month period ended 31 December 2013	1,700,000

Proposed annual cap and basis of cap

It is expected that the aggregate amount of service fees which may be payable by the Group pursuant to the Maintenance Sub-contracting Arrangement during each of the three financial years ending 30 June 2017 will not exceed HK\$5,900,000. Such annual cap is determined with reference to the projected level of demand for such services by members of the Group and the anticipated level of fees at which the SHKP Group may charge in respect of such services. As mentioned in paragraph 2(ii)B above, the level of demand for services pursuant to the Maintenance Arrangement is expected to increase and as such, it is expected that the level of demand for 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 amount 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 whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) confirm that the Maintenance Sub-contracting Arrangement has been and will continue to be negotiated on an arm's length basis and on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) further confirm that in respect of the payment terms for the services, 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 payment terms have been and will continue to be no less favourable to the Group than the payment terms that may be offered by the Group to other independent third party service providers of the Group for such services.

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E. The HK Lease Arrangements

Background

Members of the Group have been leasing and licensing from, and will continue to lease and license from, members of the SHKP Group certain premises in Hong Kong for the purpose of providing data centres and related services to the customers of the Group (the “**HK Lease Arrangements**”). The premises currently leased/licensed by the Group from the SHKP Group pursuant to the HK Lease Arrangements are the whole of the 1, 2, 3 and 5/Fs, and portion of the space of the Flat Roof on the 1/F, UG/F, LG/F, Rooftop, and Cargo Lift No.1, Sun Hung Kai Logistics Centre (Shatin), No. 8 Wong Chuk Yeung Street, Fo Tan, Shatin, Hong Kong. The relevant members of the SHKP Group have charged and will continue to charge the relevant members of the Group rental, license fee, management fee and other charge for the leasing and licensing of the premises in Hong Kong which the relevant members of the Group leased or licensed from the SHKP Group.

The New Agreement

On 16 May 2014, the Company and SHKP entered into a new Master Leasing Agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to enter into the HK Lease Arrangements with members of the Group for a period from 1 July 2014 to 30 June 2017. Relevant members of the Group and of the SHKP Group will enter into separate lease agreements or license agreements to provide for the detailed terms with respect to the leasing or licensing of premises in Hong Kong pursuant to the HK Lease Arrangements. The Master Leasing 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 HK Lease Arrangements. The said principles include that the terms of each transaction under the HK Lease Arrangements (including, but not limited to, the amounts of rental, license fee, management fee and any other charge payable by the Group, and the payment terms thereof) shall be negotiated on an arm’s length basis and on normal commercial terms and with reference to prevailing market rental or license fee (as the case may be) provided by independent valuer(s), and taking into account the location and the area of the premises involved 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 16 May 2011, which is due to expire on 30 June 2014.

LETTER FROM THE BOARD

The historical amounts

The annual cap for the HK Lease Arrangements for each of the three financial years ending 30 June 2014 was HK\$23,300,000. The following table sets out the aggregate amounts of rental, license fee, management fee and other charge paid by the Group pursuant to the HK Lease Arrangements during the Relevant Historical Periods:

Relevant Historical Periods	Approximate Amount (HK\$)
Financial year ended 30 June 2012	2,780,000
Financial year ended 30 June 2013	9,220,000
Six-month period ended 31 December 2013	7,820,000

Proposed annual cap and basis of cap

It is expected that the aggregate amount of rental, license fee, management fee and other charge which may be payable by the Group pursuant to the HK Lease Arrangements during each of the three financial years ending 30 June 2017 will not exceed HK\$74,970,000. Such annual cap is determined with reference to the projected space demand (including the space currently leased or licensed) by members of the Group and the anticipated level of rental, license fee, management fee and other charge at which the SHKP Group may charge. The increase in the annual cap represents the expected addition of new floor spaces to support iAdvantage's business growth plans, and also the expected review of rent or license fee of existing leased or licensed floor areas consequent upon changes in rent or license fee in the real estate market.

The HK Lease Arrangements have been and will be conducted in the ordinary and usual course of business of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) confirm that the HK Lease Arrangements have been and will continue to be negotiated on an arm's length basis and on normal commercial terms, and the terms thereof (including the amounts of rental, license fee, management fee and any other charge payable by the Group and the payment terms thereof) pursuant to such arrangements are and will continue to be at/on market rates/terms.

(iii) Reasons for 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

LETTER FROM THE BOARD

undertaken in the past, the Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) consider that the entering into of each of the Continuing Connected Transactions is in the commercial interest of the Group. The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) consider that the Transactions Requiring 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 (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee set out on page 22 of this circular) also consider that the relevant annual caps for the three financial years ending 30 June 2015, 2016 and 2017 of the Transactions Requiring Approval are fair and reasonable.

(iv) Requirements Under the Gem Listing Rules

Relationship with SHKP

As at the Latest Practicable Date, SHKP is a substantial Shareholder indirectly holding an aggregate of 1,719,427,500 Shares, representing approximately 74.04% of the entire issued share capital of the Company. As such, SHKP and its associates are connected persons of the Company under the GEM Listing Rules for so long as SHKP remains a substantial Shareholder.

Independent Shareholders' Approval

It is anticipated that the revenue ratio set out in Rule 19.07 of the GEM Listing Rules in respect of each of (i) the Networking Arrangement and the Networking Sub-contracting Arrangement, which are required to be aggregated under Rule 20.25 of the GEM Listing Rules; (ii) the Maintenance Arrangement and the Maintenance Sub-contracting Arrangement, which are required to be aggregated under Rule 20.25 of the GEM Listing Rules; and (iii) the HK Lease Arrangements on an annual basis will not be less than 5% but will be less than 25% and the aggregate annual consideration will be more than HK\$10,000,000, such transactions will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules. The Company will be subject to the reporting, announcement, annual review and the Independent Shareholders' Approval requirements under the GEM Listing Rules in relation to the Transactions Requiring Approval.

LETTER FROM THE BOARD

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 2014 up to 30 June 2017 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 cap for each of the three financial years ending 30 June 2017 (HK\$)
A. Networking Arrangement	65,000,000
B. Maintenance Arrangement	64,400,000
C. Networking Sub-contracting Arrangement	12,000,000
D. Maintenance Sub-contracting Arrangement	5,900,000
E. HK Lease Arrangements	74,970,000

If there are any material changes or updates in any terms of the New Agreements or the relevant annual caps stated above are exceeded or that the relevant members of the Group and any connected persons (as defined under the GEM Listing Rules) reach any new arrangements, the Company will comply with the applicable requirements under the GEM Listing Rules, unless the Company reports to the Stock Exchange and is granted an exemption.

Given that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric and Fung Yuk-lun, Allen are directors of both the Company and SHKP, they are materially interested in the Transactions Requiring Approval and they have therefore abstained from voting on the Board resolutions approving the Transactions Requiring Approval.

Ordinary resolutions will be proposed at the EGM to approve the Transactions Requiring Approval and the proposed annual caps therefor as mentioned above. SHKP and its associates are required to abstain from voting on the ordinary resolutions for approving the Transactions Requiring Approval at the EGM.

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

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

LETTER FROM THE BOARD

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

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

The 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. Optima has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Transactions Requiring Approval.

(v) **Business of the Group and the SHKP Group**

The principal activity of the Company is investment holding. The Group's principal business activities include the provision of data centre, facilities management, web applications and value added services, installation and maintenance services and properties holding. The principal activities of the SHKP Group are the development of and investment in properties for sale and rent, hotel operation, telecommunications, transportation, infrastructure and logistics.

3. **RE-ELECTION OF RETIRING DIRECTORS**

As announced by the Company on 15 October 2013 and 30 December 2013, Mr. Lee Wai-kwong, Sunny was appointed as an independent non-executive Director and Mr. Fung Yuk-lun, Allen was appointed as a non-executive Director with effect from 1 November 2013 and 1 January 2014 respectively.

In accordance with Article 95 of the Articles of Association, Messrs. Lee Wai-kwong, Sunny and Fung Yuk-lun, Allen will hold office until the EGM and shall be eligible for re-election thereat.

The Company is of the view that Mr. Lee Wai-kwong, Sunny is independent in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. Hence, the Company considers that he should be re-elected.

Brief biographical details of the retiring Directors proposed to be re-elected at the EGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. EXTRAORDINARY GENERAL MEETING

A notice to convene the EGM to be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 24 June 2014 at 3:00 p.m. is set out on pages 53 to 56 of this circular.

An announcement on the outcome of the EGM will be made by the Company after the conclusion of the EGM.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

5. RECOMMENDATIONS

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 22 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Transactions Requiring Approval; and (b) the letter of advice from Optima set out on pages 23 to 40 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Transactions Requiring Approval and the principal factors and reasons considered by Optima in arriving at its advice.

The Independent Board Committee, having taken into account the advice of Optima, considers that the Transactions Requiring Approval are in the ordinary and usual course of business of the Group and on normal commercial terms, the terms of the Transactions Requiring Approval and the respective annual caps therefor are fair and reasonable, and the Transactions Requiring Approval are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Transactions Requiring Approval and the respective annual caps therefor.

The Directors believe that the proposal for re-election of the Retiring Directors is in the interests of the Company and the Shareholders, and therefore recommend you to vote in favour of the resolutions to approve the re-election of the Retiring Directors.

Yours faithfully,
For and on behalf of the Board
SUNEVISION HOLDINGS LTD.
Kwok Ping-luen, Raymond
Chairman



sunEvision

SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

6 June 2014

To the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 6 June 2014 issued to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As members of the Independent Board Committee, we have been appointed by the Board to advise the Independent Shareholders on whether the terms of the Transactions Requiring Approval and the respective annual caps therefor are fair and reasonable so far as the Independent Shareholders are concerned. Details of the Transactions Requiring Approval are set out in the text of the letter from the Board as set out on pages 5 to 17 of the Circular.

We wish to draw your attention to the letter of advice from Optima as set out on pages 23 to 40 of the Circular which contains, among others, its advice and recommendation to us as regards the terms of the Transactions Requiring Approval together with the principal factors and reasons for its advice and recommendation.

Having considered, among other matters, the factors and reasons considered by, and the opinions of, Optima as stated in its aforementioned letter of advice, we consider that the Transactions Requiring Approval are in the ordinary and usual course of business of the Group and on normal commercial terms, the terms of the Transactions Requiring Approval and the respective annual caps therefor are fair and reasonable, and the Transactions Requiring Approval are in the interests of the Company and the Shareholders as a whole. And accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Transactions Requiring Approval and the respective annual caps therefor.

Yours faithfully,
For and on behalf of
the Independent Board Committee
Li On-kwok, Victor
King Yeo-chi, Ambrose
Wong Kai-man
Kwok Kwok-chuen
Lee Wai-kwong, Sunny
Independent Non-Executive Directors

LETTER FROM OPTIMA

The following is the letter of advice from Optima to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Suite 1501, 15th floor
Jardine House
1 Connaught Place
Central
Hong Kong

6 June 2014

*To: the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions Requiring Approval and the proposed annual caps in respect thereof (the “**Proposed Annual Caps**”). Details of the Transactions Requiring Approval are set out in the letter from the Board contained in the circular of the Company dated 6 June 2014 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined.

The Group has been conducting the Transactions Requiring Approval with the SHKP Group over the years. On 16 May 2011, the Company and SHKP entered into the existing agreements governing the Transactions Requiring Approval each for a term of three years commencing from 1 July 2011 and ending on 30 June 2014. It is expected that the Group and the SHKP Group will from time to time enter into the Transactions Requiring Approval after 30 June 2014. On 16 May 2014, the Company entered into new agreements in respect of the Transactions Requiring Approval with SHKP each for a term of three years commencing from 1 July 2014 and ending on 30 June 2017.

SHKP is a substantial Shareholder within the meaning of the GEM Listing Rules and, as at the Latest Practicable Date, indirectly held an aggregate of 1,719,427,500 Shares, representing approximately 74.04% of the entire issued share capital of the Company. As such, SHKP and its associates are connected persons of the Company under the GEM Listing Rules for so long as SHKP remains a substantial Shareholder.

It is anticipated that the revenue ratio set out in Rule 19.07 of the GEM Listing Rules in respect of each of (i) the Networking Arrangement and the Networking Sub-contracting Arrangement, which are required to be aggregated under Rule 20.25 of the GEM Listing Rules; (ii) the Maintenance Arrangement and the Maintenance Sub-contracting Arrangement, which are required to be aggregated under Rule 20.25 of the GEM Listing

LETTER FROM OPTIMA

Rules; and (iii) the HK Lease Arrangements will be, on an annual basis, more than 5% but less than 25% and the aggregate annual consideration will be more than HK\$10,000,000. Accordingly, such transactions will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules. The entering into of the new agreements in respect of the Transactions Requiring Approval and the Proposed Annual Caps will be subject to the reporting, announcement, annual review and the Independent Shareholders' Approval requirements under the GEM Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Professor LI On-kwok, Victor, Professor KING Yeo-chi, Ambrose, Mr. WONG Kai-man, Mr. KWOK Kwok-chuen and Mr. LEE Wai-kwong, Sunny, has been established to advise the Independent Shareholders on whether or not the terms of the Transactions Requiring Approval are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We, Optima Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and senior management of the Group (the "**Management**") and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made. We have also sought and received confirmation from the Management that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information have been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Transactions Requiring Approval and the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background of the Transactions Requiring Approval

The principal business activities of the Group include the provision of data centres, facilities management, web applications and value added services, installation and maintenance services and properties holding. The principal activities of the SHKP Group are the development of and investment in properties for sale and rent, hotel operation, telecommunications, transportation, infrastructure and logistics.

LETTER FROM OPTIMA

The Group has been conducting the Transactions Requiring Approval with the SHKP Group over the years. On 16 May 2011, the Company and SHKP entered into the existing agreements governing the Transactions Requiring Approval each for a term of three years commencing on 1 July 2011 and ending on 30 June 2014. On 16 May 2014, the Company entered into new agreements in respect of the Transactions Requiring Approval with SHKP each for a term of three years commencing from 1 July 2014 and ending on 30 June 2017.

Pursuant to the Networking Arrangement, members of the Group act as the main contractor for the provision of services to members of the SHKP Group in connection with the design, installation, operation and provision of SMATV/CABD, access control and other security systems and laying of network cabling system (such as 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.

Pursuant to the Maintenance Arrangement, members of the Group act as the main contractor for the provision of services to members of the SHKP Group in connection with the maintenance and repair works for SMATV/CABD, access control and other security systems and cabling systems (such as voice and data network, building services access, and power supply), 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.

Pursuant to the Networking Sub-contracting Arrangement, members of the Group engage members of the SHKP Group to perform part of the works in connection with the Networking Arrangement for which the Group is engaged as the main contractor by the SHKP Group on a project basis.

Pursuant to the Maintenance Sub-contracting Arrangement, members of the Group engage members of the SHKP Group to perform part of the works in connection with the Maintenance Arrangement for which the Group is engaged as the main contractor by the SHKP Group on a project basis.

Pursuant to the HK Lease Arrangements, members of the Group lease and license from members of the SHKP Group certain premises in Hong Kong for the purpose of providing data centres and related services to the customers of the Group.

LETTER FROM OPTIMA

Set out below are the revenue generated by the Group during each of the two financial years ended 30 June 2012 and 2013 (as extracted from the Company's annual report for the year ended 30 June 2013) and the six months ended 31 December 2013 (as extracted from the Company's half-year report for the six months ended 31 December 2013):

	For the year ended 30 June 2012 <i>(audited)</i>	For the year ended 30 June 2013 <i>(audited)</i>	For the six months ended 31 December 2013 <i>(unaudited)</i>
<i>(approximate HK\$'000)</i>			
Total revenue of the Group	705,860	764,617	415,915
— installation and maintenance fee	92,148	90,936	47,717
— data centre and IT facilities income	569,074	624,787	343,332
Revenue generated under:			
— the Networking Arrangement	38,190	30,280	14,460
— the Maintenance Arrangement	47,960	50,000	24,860
	86,150	80,280	39,320
Percentage of revenue generated under the Networking Arrangement and the Maintenance Arrangement to:			
— total revenue of the Group	12.2%	10.5%	9.5%
— total installation and maintenance fee of the Group	93.5%	88.3%	82.4%
Percentage of revenue generated from data centre and IT facilities to:			
— total revenue of the Group	80.6%	81.7%	82.5%

We note from the Company's annual report for the year ended 30 June 2013 that the installation and maintenance of SMATV, CABD, structural cabling and security systems is one of the major business segments of the Group. As illustrated in the table above, for each of the two financial years ended 30 June 2012 and 2013 and the six months ended 31 December 2013, the aggregate amount of revenue generated under the Networking Arrangement and the Maintenance Arrangement amounted to approximately HK\$86.2 million, HK\$80.3 million and HK\$39.3 million, representing approximately 12.2%, 10.5% and 9.5% of the Group's total revenue respectively. These revenues also accounted for approximately 93.5%, 88.3% and 82.4% of the Group's revenue derived from the provision of installation and maintenance services for the respective periods.

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In addition, the income derived from the provision of data centres and IT facilities consistently contributed more than 80% to the Group's total revenue during each of the two financial years ended 30 June 2012 and 2013 and the six months ended 31 December 2013. As advised by the Management, certain premises which are currently used by the Group to provide data centres and other related services to the customers of the Group are leased or licensed from the SHKP Group under the HK Lease Arrangements and are essential to the Group in carrying out its data centre business.

In connection with the Networking Arrangement and 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 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 sub-contractors. As advised by the Management, such arrangements 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. Accordingly, the Group from time to time sub-contracts works to the relevant members of the SHKP Group under the Networking Sub-contracting Arrangement or the Maintenance Sub-contracting Arrangement if they are the only qualified or best qualified sub-contractors.

Having considered that (i) the Group has been conducting the Transactions Requiring Approval with the SHKP Group over the years; (ii) the installation and maintenance of SMATV, CABD, structural cabling and security systems (including the Networking Arrangement and the Maintenance Arrangement) is one of the major business segments of the Group; (iii) the Networking Sub-contracting Arrangement and the Maintenance Sub-contracting Arrangement are conducted in order to perform certain works under the Networking Arrangement and the Maintenance Arrangement respectively, and such sub-contracting arrangement is a normal and common market practice; and (iv) the HK Lease Arrangements are essential to the Group in carrying out its data centre business which is the major source of income of the Group, we are of the view that the Transactions Requiring Approval are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Transactions Requiring Approval

Networking Arrangement

Pursuant to the new agreement governing the Networking Arrangement, the Group has agreed to provide services contemplated under the Networking Arrangement to members of the SHKP Group for a period from 1 July 2014 to 30 June 2017. Such new agreement is of substantially the same terms as those under the existing agreement and is conditional upon the obtaining of the Independent Shareholders' Approval.

The new agreement is a master agreement which stipulates that the services to be provided by the Group to the SHKP Group pursuant to the 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

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

We have discussed with the Management and understand that the Group has a standard pricing strategy for the networking services which is applicable to all customers (including members of the SHKP Group). The Group will first ascertain from its suppliers and 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, which will be determined by the Group on a case by case basis and with 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. Depending on the monetary amount involved, the proposed price will then be reviewed and approved by managers of the Company or the Management to ensure that the proposed price is set in accordance with the Group's pricing strategy before submitting the bid to the potential customer for their consideration. Other payment terms are determined with reference to market practices.

We have discussed with the Group's internal audit team and understand that they perform review and conduct sample checking on the Networking Arrangement on a half-yearly basis to ensure that the pricing of the Networking Arrangement strictly adheres to the aforesaid pricing strategy and approval procedures and is comparable to the prices charged by the Group in similar transactions involving independent third parties, and the terms are no less favourable to the Group than those offered to the Group by other independent third parties in similar transactions. We have also reviewed the work carried out by the internal audit team which included (i) reviewing the relevant approval forms and contracts for new projects; (ii) comparing the terms, in particular, pricing of the transactions with connected persons and with independent third parties; and (iii) checking whether the pricing was consistent with the Group's pricing strategy and in line with the Group's historical profit margins for similar transactions. We note that no unusual transaction was identified by the internal audit team. Based on our review, we also note that the markups for the transactions with connected persons are comparable to those transactions with independent third parties.

Based on the above, we are of the view that there are internal controls in place to ensure that the Networking Arrangement will be conducted on normal commercial terms.

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Maintenance Arrangement

Pursuant to the new agreement governing the Maintenance Arrangement, the Group has agreed to provide services contemplated under the Maintenance Arrangement to members of the SHKP Group for a period commencing from 1 July 2014 and ending on 30 June 2017. Such new agreement is of substantially the same terms as those under the existing agreement and is conditional upon the obtaining of the Independent Shareholders' Approval.

The new agreement is a master agreement which stipulates 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 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 payment terms to be offered by the SHKP Group to the Group shall be no less favourable to the Group than the payment terms that may be offered to the Group by other independent third party customers for such services.

We have discussed with the Management and understand that the Group has a standard pricing strategy for the maintenance services which is applicable to all customers (including members of the SHKP Group). The Group will first ascertain from its suppliers and 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, which will be determined by the Group on a case by case basis and with 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. Depending on the monetary amount involved, the proposed price will then be reviewed and approved by managers of the Company or the Management to ensure that the proposed price is set in accordance with the Group's pricing strategy before submitting the bid to the potential customer for their consideration. Other payment terms are determined with reference to market practices.

We have discussed with the Group's internal audit team and understand that they perform review and conduct sample checking on the Maintenance Arrangement on a half-yearly basis to ensure that the pricing of the Maintenance Arrangement strictly adheres to the aforesaid pricing strategy and is comparable to the prices charged by the Group in similar transactions involving independent third parties, and the terms are no less favourable to the Group than those offered to the Group by other independent third parties in similar transactions. We have also reviewed the work carried out by the internal audit team which included (i) reviewing the relevant approval forms and contracts for new projects and renewal projects; (ii) comparing the terms, in particular, pricing of the transactions with connected persons and with independent third parties; and (iii) checking whether the pricing was consistent

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with the Group's pricing strategy and in line with the Group's historical profit margins for similar transactions. We note that no unusual transaction was identified by the internal audit team. Based on our review, we also note that the markups for the transactions with connected persons are comparable to those transactions with independent third parties.

Based on the above, we are of the view that there are internal controls in place to ensure that the Maintenance Arrangement will be conducted on normal commercial terms.

Networking Sub-contracting Arrangement

Pursuant to the new agreement governing the Networking Sub-contracting Arrangement, the SHKP Group has agreed to provide services contemplated under the Networking Sub-contracting Arrangement to members of the Group for a period from 1 July 2014 to 30 June 2017. Such new agreement is of substantially the same terms as those under the existing agreement and is conditional upon the obtaining of the Independent Shareholders' Approval.

The new agreement is a master agreement which stipulates that the services to be provided by the SHKP Group to the Group pursuant to the 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 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 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.

We have discussed with the Management and reviewed the internal control procedures in place in relation to the purchase of materials and procurement of contractor works which is applicable to transactions with all suppliers and contractors (including members of the SHKP Group). The Group is required to solicit quotations/tenders for similar products and services from at least two independent third parties (depending on the estimated contract value) from its approved supplier/contractor lists, where possible. The Group will select the supplier/contractor which offers the most attractive terms taking into account all relevant factors including but not limited to price, quality of work and schedule of completion, and will ensure that the price to be paid by the Group to the SHKP Group under the 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 Networking Arrangement, the SHKP Group may prescribe a specific type or brand of products or systems to be used, which are exclusively supplied by the respective sole agents in Hong Kong (which include, but are not limited to, members of the SHKP Group). In such cases, the Group will ascertain from the suppliers of

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the relevant products or systems the prime costs of materials and labour which they will charge for undertaking the relevant works under the Networking Sub-contracting Arrangement. For those services involving facilities, systems or products in respect of which there are no alternative supplier and are exclusively supplied by member(s) of the SHKP Group, SHKP has agreed that the terms upon which such facilities, systems, products 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.

We have discussed with the Group's internal audit team and understand that they perform review and conduct sample checking on the Networking Sub-contracting Arrangement on a half-yearly basis to ensure that the pricing of the Networking Sub-contracting Arrangement strictly adheres to the aforesaid internal control procedures and is comparable to the prices paid by the Group in similar transactions involving independent third parties and the terms of the Networking Sub-contracting Arrangement are no less favourable to the Group than those offered by the Group to other independent third parties. We note that the internal audit team has performed review on the Group's internal controls on purchase and procurement (which govern transactions including the Networking Sub-contracting Arrangement) and no unusual transaction was identified.

As advised by the Management, a majority of the historical transactions under the Networking Sub-contracting Arrangement were related to the sub-contracting of the installation of a system which was exclusively supplied by the SHKP Group and therefore no market comparables were available. In addition, (i) the sub-contracting fees charged by the SHKP Group under the Networking Sub-contracting Arrangement have already been taken into consideration by the Group when deciding on the amount to be charged by the Group to the SHKP Group under the Networking Arrangement; and (ii) the SHKP Group has agreed that the terms under the Networking Sub-contracting Arrangement will be no less favourable to the Group than those offered to independent third parties.

Based on the above, we are of the view that there are internal controls in place to ensure that the Networking Sub-contracting Arrangement will be conducted on normal commercial terms.

Maintenance Sub-contracting Arrangement

Pursuant to the new agreement governing the Maintenance Sub-contracting Arrangement, the SHKP Group has agreed to provide services contemplated under the Maintenance Sub-contracting Arrangement to members of the Group for a period from 1 July 2014 to 30 June 2017. The new agreement is of substantially the same terms as those under the existing agreement and is conditional upon the obtaining of the Independent Shareholders' Approval.

The new agreement is a master agreement which stipulates 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

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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 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 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.

We have discussed with the Management and reviewed the internal control procedures in place in relation to the purchase of materials and procurement of contractor works which is applicable to transactions with all suppliers and contractors (including members of the SHKP Group). The Group is required to solicit quotations/tenders for similar products and services from at least two independent third parties (depending on the estimated contract value) from its approved supplier/contractor lists, where possible. As advised by the Management, the Group will select the supplier/contractor which offers the most attractive terms taking into account all relevant factors including but not limited to price, quality of work and schedule of completion, and will ensure that the price to be paid by the Group to the SHKP Group under the Maintenance Sub-contracting Arrangement is fair and reasonable and comparable to the price paid by the Group in similar transactions involving independent third parties. Other payment terms are determined with reference to market practices.

In situations where the products or systems requiring maintenance 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 the prime costs of materials and labour which they will charge for undertaking the relevant works under the Maintenance Sub-contracting Arrangement. For those services involving facilities, systems or products in respect of which there are no alternative supplier and are exclusively supplied by member(s) of the SHKP Group, SHKP has agreed that the terms upon which such facilities, systems, products 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.

We have discussed with the Group's internal audit team and understand that they perform review and conduct sample checking on the Maintenance Sub-contracting Arrangement on a half-yearly basis to ensure that the pricing of the Maintenance Sub-contracting Arrangement strictly adheres to the aforesaid internal control procedures and is comparable to the prices paid by the Group in similar transactions involving independent third parties and the terms of the Maintenance Sub-contracting Arrangement are no less favourable to the Group than those offered by the Group to other independent third parties. We note that the internal audit team has performed review on the Group's internal controls on purchase and procurement (which govern transactions including the Maintenance Sub-contracting Arrangement) and no unusual transaction was identified.

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As advised by the Management, a majority of the historical transactions under the Maintenance Sub-contracting Arrangement were related to the sub-contracting of the maintenance of a system which was exclusively supplied by the SHKP Group and therefore no market comparables were available. In addition, (i) the sub-contracting fees charged by the SHKP Group under the Maintenance Sub-contracting Arrangement have already been taken into consideration by the Group when deciding on the amount to be charged by the Group to the SHKP Group under the Maintenance Arrangement; and (ii) the SHKP Group has agreed that the terms under the Maintenance Sub-contracting Arrangement will be no less favourable to the Group than those offered to independent third parties.

Based on the above, we are of the view that there are internal controls in place to ensure that the Maintenance Sub-contracting Arrangement will be conducted on normal commercial terms.

HK Lease Arrangements

Pursuant to the new agreement governing the HK Lease Arrangements, the SHKP Group has agreed to enter into the HK Lease Arrangements with members of the Group for a period from 1 July 2014 to 30 June 2017. The new agreement is of substantially the same terms as those under the existing agreement and is conditional upon the obtaining of the Independent Shareholders' Approval.

The new agreement is a master agreement which stipulates that the terms of each transaction under the HK Lease Arrangements (including, but not limited to, the amounts of rental, license fee, management fee and any other charge payable by the Group, and the payment terms thereof) shall be negotiated on an arm's length basis and on normal commercial terms and with reference to prevailing market rental or license fee (as the case may be). We have discussed with the Management and understand that the terms (including the rental or license fee) under the HK Lease Arrangements will be determined based on the prevailing market rental or license fee (as the case may be) as provided by independent property valuer(s) and with reference to general market practices.

We have discussed with the Group's internal audit team and understand that they perform review on the HK Lease Arrangements on a half-yearly basis to ensure that the terms of the HK Lease Arrangements were determined with reference to the opinions provided by the independent property valuer. We have reviewed the valuer's opinions in respect of the existing leases/licenses and noted that the valuer had confirmed that the then terms (including the rental or license fee) were reasonable having regard to the then market condition and building condition.

Based on the above, we are of the view that the HK Lease Arrangements will be conducted on normal commercial terms.

Auditor's and independent non-executive Directors' review

As stated in the annual reports of the Company for the two financial years ended 30 June 2012 and 2013, the auditor of the Company has performed procedures in respect of the continuing connected transactions of the Group (including the

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Transactions Requiring Approval) in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants and has confirmed that the continuing connected transactions of the Group (including the Transactions Requiring Approval):

- (i) were approved by the Board;
- (ii) were, on a sample basis, in accordance with the pricing policies of the Group;
- (iii) were, on a sample basis, in accordance with the relevant agreements governing the transactions; and
- (iv) did not exceed their respective caps as disclosed in the relevant announcements of the Company.

As stated in the annual reports of the Company for the two financial years ended 30 June 2012 and 2013, the independent non-executive Directors have also confirmed that the continuing connected transactions of the Group (including the Transactions Requiring Approval) have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Our view

Having considered that (i) the Group has a standard pricing policy which is applicable to all customers; (ii) the Group has internal controls and approval procedures in place to ensure that the Transactions Requiring Approval will be conducted on normal commercial terms; (iii) the internal audit team of the Group perform periodic review on the Transactions Requiring Approval; and (iv) the auditor of the Company and the independent non-executive Directors have conducted annual review on the Transactions Requiring Approval in accordance with the GEM Listing Rules, we are of the view that the Transactions Requiring Approval will be conducted on normal commercial terms and such terms, including the pricing mechanism and the payment terms, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

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3. The Proposed Annual Caps

The actual transaction amounts for each of the two financial years ended 30 June 2012 and 2013 and the six months ended 31 December 2013 (the “**Historical Period**”) and the Proposed Annual Caps for each of the three financial years ending 30 June 2015, 2016 and 2017 in respect of the Transactions Requiring Approval are as follows:

	Actual transaction amounts			Proposed Annual Caps
	for the year ended 30 June 2012 <i>HK\$'000</i>	for the year ended 30 June 2013 <i>HK\$'000</i>	for the six months ended 31 December 2013 <i>HK\$'000</i>	for each of the three years ending 30 June 2017 <i>HK\$'000</i>
Networking Arrangement	38,190	30,280	14,460	65,000
Maintenance Arrangement	47,960	50,000	24,860	64,400
Networking Sub- contracting Arrangement	2,830	1,460	1,410	12,000
Maintenance Sub- contracting Arrangement	2,840	3,140	1,700	5,900
HK Lease Arrangements	2,780	9,220	7,820	74,970

Networking Arrangement

We note from the table above that the actual transaction amount for the Networking Arrangement declined from approximately HK\$38.2 million for the year ended 30 June 2012 to approximately HK\$30.3 million for the year ended 30 June 2013. As advised by the Management, the decline was mainly attributable to the fewer property development projects awarded by the SHKP Group in the relevant period.

The Proposed Annual Cap in respect of the Networking Arrangement (the “**Networking Cap**”) for each of the three years ending 30 June 2017 is HK\$65.0 million, which is approximately double the actual transaction amount for the year ended 30 June 2013. We have discussed with the Management and understand that the revenue to be generated under the Networking Arrangement refers to the one-off installation fee for networking services and is closely related to the SHKP Group’s future completion of properties. As advised by the Management, the Networking Cap was determined mainly with reference to (i) the actual transaction amounts during the Historical Period; (ii) the estimated income from the projects already awarded by the SHKP Group to the Group; (iii) the estimated income from potential new projects to be awarded by the SHKP Group to the Group; and (iv) the estimated income from potential special projects in relation to addition and alteration works to be awarded by the SHKP Group to the Group.

We have reviewed the contracts in respect of the projects already awarded by the SHKP Group to the Group and discussed with the Management about the estimated completion schedule of the projects and allocation of income streams receivable by the Group in accordance with such schedule.

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Given that the networking projects normally take three years to complete, the Management considers that potential new projects for which the Group submits bids in 2014/15 and 2015/16 (which are scheduled to be completed in 2017/18 and 2018/19 respectively) will contribute income streams to the Group during the two financial years ending 30 June 2017. In estimating the attributable gross floor area scheduled to be completed by the SHKP Group in 2017/18 and 2018/19, the Management has made reference to the information as disclosed in SHKP's annual report for the year ended 30 June 2013 taking into account the property market trend. The Management has also estimated the income streams from these new projects based on the current bid price per square foot as well as the latest successful bid rate.

Special projects are ad hoc in nature and difficult to forecast. In order to provide flexibility and taking into account potential inflation effects, the Management has assumed that the estimated income from special projects will grow moderately for the three financial years ending 30 June 2017.

Based on the above, we concur with the Management on the bases and assumptions adopted in determining the Networking Cap.

Maintenance Arrangement

We note from the table above that the actual transaction amounts for the Maintenance Arrangement during the Historical Period were relatively stable.

The Proposed Annual Cap in respect of the Maintenance Arrangement (the “**Maintenance Cap**”) for each of the three financial years ending 30 June 2017 is HK\$64.4 million. We have discussed with the Management and understand that the revenue to be generated under the Maintenance Arrangement refers to the fees for providing maintenance services for network infrastructure and security systems for buildings owned and/or managed by the SHKP Group. As advised by the Management, the Maintenance Cap was determined mainly with reference to (i) the actual transaction amounts during the Historical Period; (ii) the estimated income from regular maintenance and ad hoc quotation maintenance for the coming years; and (iii) the estimated income from maintenance of SMATV, and broadband and WiFi for the coming years.

As advised by the Management, the demand for maintenance services is expected to grow consistently as more networking systems have been and will be installed under the Networking Arrangement and thus more regular and ad hoc maintenance services are expected to be awarded by the SHKP Group to the Group. The Management estimates that the income for regular maintenance and ad hoc quotation maintenance for the coming years will grow at the respective historical growth rates.

As high definition SMATV was launched recently, the Management expects the income from SMATV maintenance will remain at the current level. Taking into account the current renewal price, the latest quotation and potential new projects, the Management expects that the income from broadband and WiFi maintenance will also remain at the current level.

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Based on the above, we concur with the Management on the bases and assumptions adopted in determining the Maintenance Cap.

Networking Sub-contracting Arrangement

We note from the table above that the actual transaction amounts for the Networking Sub-contracting Arrangement during the Historical Period were relatively stable.

The Proposed Annual Cap in respect of the Networking Sub-contracting Arrangement (the “**Networking Sub-contracting Cap**”) for each of the three financial years ending 30 June 2017 is HK\$12.0 million. We have discussed with the Management and understand that the demand for services under the Networking Sub-contracting Arrangement is expected to increase as it is closely related to the Networking Arrangement. As advised by the Management, the Networking Sub-contracting Cap was determined mainly with reference to (i) the actual transaction amounts during the Historical Period; (ii) the contract values to be sub-contracted to the SHKP Group under projects on hand; (iii) the estimated contract values to be sub-contracted to the SHKP Group under projects for which the Group has submitted tender bids; and (iv) the estimated contract values of ad hoc projects to be sub-contracted to the SHKP Group.

We have reviewed the relevant documents in respect of (ii) and (iii) above, and discussed with the Management about the estimated completion schedule of the projects and allocation of sub-contracting fees payable by the Group in accordance with such schedule.

Based on the above, we concur with the Management on the bases and assumptions adopted in determining the Networking Sub-contracting Cap.

Maintenance Sub-contracting Arrangement

We note from the table above that the actual transaction amounts for the Maintenance Sub-contracting Arrangement grew consistently during the Historical Period. The actual transaction amount for the financial year ended 30 June 2013 was approximately HK\$3.1 million, representing a growth of approximately 11% as compared to that for 2012, which was approximately HK\$2.8 million. The actual transaction amount for the six months ended 31 December 2013 was approximately HK\$1.7 million. The Management advises that the consistent growth was attributable to the increase in demand for services under the Maintenance Arrangement.

The Proposed Annual Cap in respect of the Maintenance Sub-contracting Arrangement (the “**Maintenance Sub-contracting Cap**”) for each of the three financial years ending 30 June 2017 is HK\$5.9 million. We have discussed with the Management and understand that the demand for services under the Maintenance Sub-contracting Arrangement is closely related to the Maintenance Arrangement. As advised by the Management, the Maintenance Sub-contracting Cap was determined mainly based on (i) the actual transaction amounts during the Historical Period; and (ii) the projected growth rate in transaction amount for the financial year ending 30 June 2014 as compared with the financial year ended 30 June 2013. The Management

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considers that the Maintenance Sub-contracting Cap is reasonable taking into account the historical growth rates, the expected growth in the Maintenance Arrangement and the flexibility to capture business opportunities as they arise.

Based on the above, we concur with the Management on the bases and assumptions adopted in determining the Maintenance Sub-contracting Cap.

HK Lease Arrangements

We note from the table above that the actual transaction amounts for the HK Lease Arrangements recorded significant growth during the Historical Period. The actual transaction amount for the financial year ended 30 June 2013 was approximately HK\$9.2 million, as compared to approximately HK\$2.8 million for the financial year ended 30 June 2012. As advised by the Management, the growth was attributable to the new leases or licenses from the SHKP Group of certain additional premises in Hong Kong for the provision of data centres and related services.

The Proposed Annual Cap in respect of the HK Lease Arrangements (the “**HK Lease Cap**”) for each of the three financial years ending 30 June 2017 is approximately HK\$75.0 million. We have discussed with the Management and understand that it is the intention of the Group to lease or license certain additional premises from the SHKP Group in order to expand its data centre business. As advised by the Management, the HK Lease Cap was determined mainly based on (i) the actual transaction amounts during the Historical Period; (ii) the rentals, license fees, management fees and other charges payable under the existing lease or licensing contracts; (iii) the estimated rentals, license fees, management fees and other charges payable upon renewal assuming a maximum increment percentage as specified under the existing lease or licensing contracts; and (iv) the estimated market rentals, license fees, management fees and other charges (assuming a reasonable increment per annum based on the current market price) payable for the additional premises which will be leased or licensed from the SHKP Group in the coming years.

As advised by the Management, the additional premises that the Group expects to lease or license from the SHKP Group in the coming years are currently leased out to other parties and are expected to be leased or licensed to the Group upon expiry. There may be circumstances that the SHKP Group will terminate the existing lease contracts with its existing tenants before expiry when requested by the Group to meet new demands of its customers for data centres and related services. As such, when determining the HK Lease Cap, the Management has taken into account the possible deviation of the plan to lease additional premises under the HK Lease Arrangements and apply the same annual cap to each of the three financial years ending 30 June 2017 in order to capture new businesses as and when they arise from new demands of the Group’s customers.

Based on the above, we concur with the Management on the bases and assumptions adopted in determining the HK Lease Cap.

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Our View

Having reviewed the bases and assumptions adopted by the Management, we consider that the Proposed Annual Caps, which allow the Group to expand its business with the SHKP Group on terms no less favourable to the Group than those available from or to independent third parties, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Annual review of the Transactions Requiring Approval

Pursuant to the GEM Listing Rules effective on 1 July 2014, the Transactions Requiring Approval will be subject to the following annual review and reporting requirements:

- (i) each year the independent non-executive Directors must, in accordance with the GEM Listing Rules, review the Transactions Requiring Approval and confirm in the Company's annual report and accounts that the Transactions Requiring Approval have been entered into:
 - (a) in the ordinary and usual course of business of the Group;
 - (b) on normal commercial terms or better; and
 - (c) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (ii) each year the auditor of the Company must, in accordance with the GEM Listing Rules, review the Transactions Requiring Approval and they will confirm to the Board whether anything has come to their attention that causes them to believe that the Transactions Requiring Approval:
 - (a) have not been approved by the Board;
 - (b) were not, in all material respects, in accordance with the pricing policies of the Group;
 - (c) were not entered into, in all material respects, in accordance with the relevant agreements governing the Transactions Requiring Approval; and
 - (d) have exceeded the relevant Proposed Annual Caps;
- (iii) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the GEM Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or the auditor of the Company will not be able to confirm the matters set out in points (i) and/or (ii) above respectively; and
- (iv) the Company shall allow, and ensure that the SHKP Group allows, the auditor of the Company to have sufficient access to the relevant records of the Transactions Requiring Approval for the purpose of the auditor's review as referred to in point (ii) above.

LETTER FROM OPTIMA

In light of the reporting requirements attached to the Transactions Requiring Approval, in particular, (i) the restriction of the amount of the Transactions Requiring Approval by way of the Proposed Annual Caps; (ii) the annual review by the independent non-executive Directors and auditor of the Company regarding the terms of the Transactions Requiring Approval; and (iii) the annual review by the auditor of the Company confirming the Proposed Annual Caps not being exceeded, we are of the view that appropriate measures are in place to govern the conduct of the Transactions Requiring Approval and safeguard the interests of the Independent Shareholders.

OPINION

Having taken into account the above principal factors and reasons, we consider that the Transactions Requiring Approval are in the ordinary and usual course of business of the Group and on normal commercial terms. We also consider that the terms of the Transactions Requiring Approval and the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Transactions Requiring Approval is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Transactions Requiring Approval and the Proposed Annual Caps.

Yours faithfully,
for and on behalf of
Optima Capital Limited
Beatrice Lung
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long position in shares and underlying shares of the Company

Name of Director	Number of shares held				Number of underlying shares held under equity derivatives		% 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	Total	Total	Total	
Kwok Ping-luen, Raymond	—	—	3,485,000 ¹	3,485,000	—	3,485,000	0.15
King Yeo-chi, Ambrose	1,000	—	—	1,000	—	1,000	0

Note:

- Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in the Company by virtue of him being a beneficiary of certain discretionary trusts 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				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	81,982	—	—	458,681,248 ¹	458,763,230	100,000 ² (personal interests in share options) 6,761 ³ (personal interests in warrants) 37,832,938 ^{3&4} (other interests in warrants)	496,702,929	18.23
Tung Chi-ho, Eric	—	—	—	—	—	80,000 ²	80,000	0
Wong Chin-wah	20,000	—	—	—	20,000	80,000 ² (personal interests in share options) 1,666 ³ (personal interests in warrants)	101,666	0
So Wai-kei, Godwin	—	—	—	—	—	24,000 ²	24,000	0
Siu Hon-wah, Thomas	—	—	—	7,000 ⁵	7,000	583 ^{3&6} (other interests in warrants)	7,583	0
Kwok Kwok-chuen	—	—	—	15,639 ⁷	15,639	1,303 ^{3&8} (other interests in warrants)	16,942	0

Notes:

- Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in SHKP by virtue of him being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.

2. 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 from 1 July 2013 to the Latest Practicable Date (the “**Period**”) were as follows:

Name of Director	Date of grant	Exercise price per share	Exercise period	Number of share options				Outstanding as at the Latest Practicable Date
				Balance as at 01.07.2013	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	
		<i>HK\$</i>						
Kwok Ping-luen, Raymond	12.07.2010	111.40	12.07.2011 to 11.07.2015	100,000	—	—	—	100,000
Tung Chi-ho, Eric	12.07.2010	111.40	12.07.2011 to 11.07.2015	80,000	—	—	—	80,000
Wong Chin-wah	12.07.2010	111.40	12.07.2011 to 11.07.2015	80,000	—	—	—	80,000
So Wai-kei, Godwin	12.07.2010	111.40	12.07.2011 to 11.07.2015	24,000	—	—	—	24,000

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.

3. These underlying shares of SHKP held under equity derivatives represented warrants issued by SHKP (being regarded for the time being as listed physically settled equity derivatives), each of which entitles the holder thereof to subscribe at any time during the period from 23 April 2014 to 22 April 2016 (both days inclusive) for one (1) fully paid new share in SHKP at an initial subscription price of HK\$98.60 per new share (subject to adjustment).
4. Mr. Kwok Ping-luen, Raymond was deemed to be interested in these warrants in SHKP by virtue of him being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
5. These shares were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.
6. These warrants were jointly held by Mr. Siu Hon-wah, Thomas and his spouse.
7. These shares were jointly held by Mr. Kwok Kwok-chuen and his spouse.
8. These warrants were jointly held by Mr. Kwok Kwok-chuen and his spouse.

(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
	Other interests	Total			
Kwok Ping-luen, Raymond	4,565,544 ¹	4,565,544	—	4,565,544	0.43

Note:

- Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares in SmarTone by virtue of him being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.

(iii) Mr. Kwok Ping-luen, Raymond 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
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:

- Mr. Kwok Ping-luen, Raymond was deemed to be interested in these shares by virtue of him being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.

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 Rules 5.46 to 5.67 of the GEM Listing Rules.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the interests or short positions of the persons, other than Directors or chief executive of the Company, in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Number of Shares held	Number of underlying shares held under equity derivatives	Total	% of Shares in issue as at the Latest Practicable Date
Sunco Resources Limited ¹ (“Sunco”)	1,719,427,500	1,719,427,500 ²	3,438,855,000	148.08
SHKP ³	1,719,427,500	1,719,427,500 ²	3,438,855,000	148.08
HSBC Trustee (C.I.) Limited ⁴ (“HSBCCI”)	1,721,567,500	1,719,427,500 ²	3,440,995,000	148.17

Notes:

1. Sunco is the beneficial owner of the 1,719,427,500 Shares and the derivative interests referred to in Note 2 below.
2. These represented the interests in the underlying shares of the Company in respect of the Convertible Notes (which are unlisted, non-transferable, irredeemable and physically settled equity derivatives) in the amount of HK\$171,942,750 convertible into 1,719,427,500 Shares at the conversion price of HK\$0.10 per share (subject to adjustment in accordance with the Deed Poll constituting the Convertible Notes) upon the exercise of the conversion rights attached to the Convertible Notes.
3. As Sunco is a wholly-owned subsidiary of SHKP, SHKP is deemed to have interest in the 3,438,855,000 Shares (including 1,719,427,500 underlying shares referred to in Note 2 above) held by Sunco for the purpose of Part XV of the SFO.
4. As HSBCCI is entitled to control the exercise of one-third or more of the voting power at general meetings of SHKP, HSBCCI is deemed to have interest in the 3,438,855,000 Shares (including 1,719,427,500 underlying shares referred to in Note 2 above) held by SHKP for the purpose of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. INTERESTS OF OTHER PERSONS

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, other than the interests in shares and underlying shares of the Company and its associated corporations held by the Directors, the chief executive and the substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register required to be kept under Section 336 of the SFO.

5. 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. These institutions and business entities may be in competition with the Group.

Save as disclosed in this section, as at the Latest Practicable Date, none of the Directors or the controlling shareholders of the Company or their respective associates has any interest in any business which competes or may compete with the business of the Group.

6. DIRECTORS' INTERESTS IN CONTRACTS

- (a) None of the Directors has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.
- (b)
 - (i) On 16 May 2011, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under the Networking Arrangement to members of the SHKP Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$65,000,000.
 - (ii) On 16 May 2011, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to provide services contemplated under the Maintenance Arrangement to members of the SHKP Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$63,500,000.
 - (iii) On 16 May 2011, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under the Networking Sub-contracting Arrangement to members of the Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$8,000,000.
 - (iv) On 16 May 2011, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide services contemplated under the Maintenance Sub-contracting Arrangement to members of the Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$3,800,000.
 - (v) On 16 May 2011, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to enter into the transactions with members of the Group in respect of the provision of e-Commerce transactions and internet-related services by the Group to the SHKP Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$2,070,000.

- (vi) On 16 May 2011, the Company and SHKP entered into an agreement whereby the Company has agreed to procure the relevant members of the Group to let space and racks at the Group's data centres to members of the SHKP Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$4,690,000.
- (vii) On 16 May 2011, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure relevant members of the SHKP Group to provide to 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 and premises owned by other members of the Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$10,200,000.
- (viii) On 16 May 2011, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide the estate agency, lease administration, billing and rent collection services in connection with the leasing of the Group's properties for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$1,520,000.
- (ix) On 16 May 2011, the Company and SHKP entered into an agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to provide to the Group technical services support in connection with e-Commerce transactions and internet-related transactions for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$1,750,000.
- (x) On 16 May 2011, the Company and SHKP entered into a master leasing agreement whereby SHKP has agreed to procure the relevant members of the SHKP Group to enter into the HK Lease Arrangements with members of the Group for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$23,300,000.

Given that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric and Fung Yuk-lun, Allen are directors of both the Company and SHKP, they are materially interested in the agreements mentioned in this paragraph 6(b) and the transactions contemplated thereunder. Further particulars of the agreements mentioned in this paragraph 6(b) were set out in the announcement of the Company dated 16 May 2011.

- (c) On 16 May 2011, the Company and Sun Hung Kai Properties Insurance Limited (a wholly-owned subsidiary of SHKP) ("**SHKI**") entered into an agreement pursuant to which the Company appointed SHKI to maintain the insurance coverage for the benefit of the Group and, at the request of the Group, sub-contractors engaged by the Group with or through SHKI for a period from 1 July 2011 to 30 June 2014 and the annual cap for each of the three financial years ending 30 June 2014 was HK\$3,570,000.

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 materially interested in the agreement mentioned in this paragraph 6(c) and the transaction contemplated thereunder. Further particulars of the agreement mentioned in this paragraph 6(c) were set out in the announcement of the Company dated 16 May 2011.

- (d) On 31 December 2013, Wealth Up Development Limited (a wholly-owned subsidiary of the Company) entered into a project management agreement (“**Project Management Agreement**”) with Sun Hung Kai Real Estate Agency Limited (a wholly-owned subsidiary of SHKP) (“**SHK Real Estate**”) 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 Tseung Kwan O Town Lot No. 122. Given that Messrs. Kwok Ping-luen, Raymond, Tung Chi-ho, Eric and Fung Yuk-lun, Allen are directors of both the Company and SHKP, and that Messrs. Tung Chi-ho, Eric and Wong Chin-wah are directors of both the Company and SHK Real Estate, they are 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.
- (e) Mr. Cheung Wing-yui, a non-executive Director, is a consultant of Woo, Kwan, Lee & Lo, a solicitors firm which provided professional services to the Group (including in relation to the Transactions Requiring Approval) and charged usual professional fees in respect thereof.
- (f) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since 30 June 2013, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (g) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement which is subsisting at the date of this circular and which is significant in relation to the business of the Group.

7. MATERIAL CHANGE

So far as the Directors are aware, there has been no material adverse change in the financial or trading position of the Group since 30 June 2013, the date to which the latest published audited financial statements of the Group were made up.

8. EXPERT

- (a) The following are the qualifications of the expert who have given opinion or advice which is contained in this circular:

Name	Qualification
Optima	a corporation licensed under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities

- (b) As at the Latest Practicable Date, Optima did not have any shareholding in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

- (c) As at the Latest Practicable Date, Optima did not have any direct or indirect interest in any assets which have been since 30 June 2013, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (d) Optima has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter dated 6 June 2014 and the references to its name included herein in the form and context in which they are respectively included.

9. 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 24 June 2014:

- (a) the agreement dated 16 May 2014 entered into by the Company and SHKP in relation to the Networking Arrangement;
- (b) the agreement dated 16 May 2014 entered into by the Company and SHKP in relation to the Maintenance Arrangement;
- (c) the agreement dated 16 May 2014 entered into by the Company and SHKP in relation to the Networking Sub-contracting Arrangement;
- (d) the agreement dated 16 May 2014 entered into by the Company and SHKP in relation to the Maintenance Sub-contracting Arrangement;
- (e) the agreement dated 16 May 2014 entered into by the Company and SHKP in relation to the HK Lease Arrangements;
- (f) the letter from Optima, the text of which is set out on pages 23 to 40 of this circular; and
- (g) the written consent from Optima referred to in paragraph 8(d) of this appendix.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at P.O. Box 309, Uglund House, Grand Cayman KY1-1104, Cayman Islands.
- (b) The head office and principal place of business of the Company is situated at MEGATOP, MEGA-iAdvantage, 399 Chai Wan Road, Chai Wan, 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 No. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. So Wai-kei, Godwin who holds a Bachelor of Arts degree and who is also a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered and Certified Accountants, the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Chartered Secretaries, the Chartered Institute of Bankers and the Hong Kong Institute of Bankers.

The details of the Retiring Directors proposed to be re-elected at the EGM are set out as follows:

1. LEE Wai-kwong, Sunny (Age: 54)
Independent Non-Executive Director

Mr. Lee has been an Independent Non-Executive Director of the Company since 1 November 2013. He holds a Bachelor's Degree and Master's Degree in Operations Research & Industrial Engineering, both from Cornell University in the USA. He is a Distinguished Fellow of Hong Kong Computer Society and Fellow of Hong Kong Institute of Engineers.

Mr. Lee is the Vice-President (Administration) of City University of Hong Kong. He has more than 30 years of experience in business and technology management gained in both Hong Kong and overseas. Mr. Lee was the Executive Director of information technology ("IT") of The Hong Kong Jockey Club ("HKJC"), where he served as member of Board of Management and had overall responsibility for HKJC's IT strategy and innovation.

Prior to joining HKJC, Mr. Lee served at The Hong Kong and China Gas Company Limited (Towngas) where he was an Executive Committee Member and held a number of key positions thereat, including Chief Information Officer of the group and Chief Executive Officer of two strategic diversification businesses, iCare.com Limited and Towngas Telecommunications Company Limited.

During the early 1990's, Mr. Lee was Vice President and Systems Director of the Bank of America in Hong Kong, where he played a key role in building up IT capabilities to support the bank's business expansion in Asia. He has also held key IT positions in the financial, management consulting and manufacturing industries in the USA.

Mr. Lee takes time to serve in many high level governing and advisory committees in the academic, professional and community arena. He is a Board Director of The Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI), the Board Chairman of Hong Kong Education City, a Council Member of Hong Kong Management Association, an Audit Committee Member of Hong Kong Housing Society and an academic advisor to many universities in Hong Kong. Mr. Lee is also a past President of Hong Kong Computer Society, a past Chairman of the Hong Kong Institute of IT Professional Certification and a past Council Member of Vocational Training Council.

Mr. Lee was a recipient of Hong Kong's Ten Outstanding Young Digi Persons Award in 1999, Asia CIO Award in 2002 and 2007, China Top CIO Award in 2007, 2009 Asian IT Influencer recognition, 2009 China Best Value CIO Award, and 2011 Hong Kong CIO Outstanding Achievement Award. He was appointed a Justice of the Peace in 2010 and was a torchbearer of the 2008 Beijing Olympics, representing Hong Kong's IT achievers.

Save as disclosed above, Mr. Lee (i) did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other positions in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the GEM Listing Rules) of the Company.

There is no service contract entered into between the Company and Mr. Lee. Mr. Lee received an appointment letter from the Company for his appointment as an Independent Non-Executive Director of the Company for a period not exceeding three years, subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. He is entitled to a director's fee of HK\$100,000 per annum (or a pro rata amount for the duration of his directorship for an incomplete year). His director's fee is fixed by the Board while his annual salary, if any, will be determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of discretionary bonus, if any, will be determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director.

As at the latest practicable date, Mr. Lee does not have, and is not deemed to have, any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.

2. FUNG Yuk-lun, Allen (Age: 45)
Non-Executive Director

Mr. Fung has been a Non-Executive Director of the Company since 1 January 2014. He obtained an undergraduate degree (Modern History) from Oxford University and holds a doctoral degree in History and East Asian Languages from Harvard University. Mr. Fung was a recipient of a Guggenheim Fellowship in 1996.

Mr. Fung is an Executive Director and a member of the executive committee of SHKP, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as well as the Chief Executive Officer of the SHKP group's non-property related portfolio investments. He is also a Non-Executive Director of each of SmarTone Telecommunications Holdings Limited and Transport International Holdings Limited.

Mr. Fung was a Teaching Fellow at Harvard University in 1993-1994 and a visiting Assistant Professor of History at Brown University in 1996-1997. He joined McKinsey and Company ("**McKinsey**"), a global management consulting company, in 1997, and primarily served clients in China and Hong Kong, and also served institutions in Europe and Southeast Asia. Mr. Fung was the co-leader of the

infrastructure practice for McKinsey. He was the Managing Partner of McKinsey Hong Kong from 2004 to 2010. In 2011, he became a Director of McKinsey globally, being the first Hong Kong Chinese to become a director in McKinsey's history. He was also the Head of Recruiting for the Asia region in McKinsey.

Mr. Fung is the Chairman of the Hong Kong Society for the Protection of Children, a Council Member of both The Hong Kong Federation of Youth Groups and The Hong Kong Management Association and a member of Executive Committee of The Hong Kong Council of Social Service. He is also an Advisory Member of the Faculty of Business and Economics at The University of Hong Kong.

Save as disclosed above, Mr. Fung (i) did not hold any other directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not hold any other positions in the Company and its subsidiaries; and (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the GEM Listing Rules) of the Company.

There is no service contract entered into between the Company and Mr. Fung. Mr. Fung received an appointment letter from the Company for his appointment as a Non-Executive Director of the Company for a period not exceeding three years, subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. He is entitled to a director's fee of HK\$30,000 per annum (or a pro rata amount for the duration of his directorship for an incomplete year). His director's fee is fixed by the Board while his annual salary, if any, will be determined by the Board from time to time with reference to his contribution in terms of time, effort and his expertise and is reviewed on an annual basis, and the sum of discretionary bonus, if any, will be determined by the Board at its absolute discretion having regard to the operating results of the Company, its subsidiaries and its associated companies from time to time and the performance of the Director.

As at the latest practicable date, Mr. Fung does not have, and is not deemed to have, any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning the Retiring Directors that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules.

NOTICE OF EXTRAORDINARY GENERAL MEETING



sunEvision

SUNEVISION HOLDINGS LTD.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8008)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of SUNEVISION HOLDINGS LTD. (the “**Company**”) will be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 24 June 2014 at 3:00 p.m. for the purposes:

1. To consider and, if thought fit, pass the following resolutions (with or without modifications) as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(a) “**THAT:**

- (i) the agreement dated 16 May 2014 entered into between the Company and Sun Hung Kai Properties Limited (“**SHKP**”) in respect of the Networking Arrangement (as defined and more particularly described in the circular to the shareholders of the Company dated 6 June 2014 (the “**Circular**”)) (the “**Networking Agreement**”, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the annual cap in relation to the Networking Arrangement of HK\$65,000,000 for each of the three financial years ending 30 June 2017, be and are hereby approved;
- (ii) the entering into, execution, performance and implementation of the Networking Agreement by the directors of the Company (the “**Directors**”) for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (iii) the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such deeds, acts, matters and things as they may in their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the Networking Agreement.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

(b) “**THAT:**

- (i) the agreement dated 16 May 2014 entered into between the Company and SHKP in respect of the Maintenance Arrangement (as defined and more particularly described in the Circular) (the “**Maintenance Agreement**”, a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the annual cap in relation to the Maintenance Arrangement of HK\$64,400,000 for each of the three financial years ending 30 June 2017, be and are hereby approved;
- (ii) the entering into, execution, performance and implementation of the Maintenance Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (iii) the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such deeds, acts, matters and things as they may in their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the Maintenance Agreement.”

(c) “**THAT:**

- (i) the agreement dated 16 May 2014 entered into between the Company and SHKP in respect of the Networking Sub-Contracting Arrangement (as defined and more particularly described in the Circular) (the “**Networking Sub-Contracting Agreement**”, a copy of which has been produced to the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the annual cap in relation to the Networking Sub-Contracting Arrangement of HK\$12,000,000 for each of the three financial years ending 30 June 2017, be and are hereby approved;
- (ii) the entering into, execution, performance and implementation of the Networking Sub-contracting Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (iii) the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such deeds, acts, matters and things as they may in their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the Networking Sub-contracting Agreement.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

(d) “**THAT:**

- (i) the agreement dated 16 May 2014 entered into between the Company and SHKP in respect of the Maintenance Sub-Contracting Arrangement (as defined and more particularly described in the Circular) (the “**Maintenance Sub-Contracting Agreement**”, a copy of which has been produced to the meeting marked “D” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the annual cap in relation to the Maintenance Sub-Contracting Arrangement of HK\$5,900,000 for each of the three financial years ending 30 June 2017, be and are hereby approved;
- (ii) the entering into, execution, performance and implementation of the Maintenance Sub-Contracting Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (iii) the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such deeds, acts, matters and things as they may in their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the Maintenance Sub-Contracting Agreement.”

(e) “**THAT:**

- (i) the agreement dated 16 May 2014 entered into between the Company and SHKP in respect of the HK Lease Arrangements (as defined and more particularly described in the Circular) (the “**HK Leasing Agreement**”, a copy of which has been produced to the meeting marked “E” and signed by the chairman of the meeting for the purpose of identification), and the transactions pursuant thereto and the annual cap in relation to the HK Lease Arrangements of HK\$74,970,000 for each of the three financial years ending 30 June 2017, be and are hereby approved;
- (ii) the entering into, execution, performance and implementation of the HK Leasing Agreement by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (iii) the Directors be and are hereby authorised for and on behalf of the Company to sign, seal, deliver, execute and perfect all such documents and to do all such deeds, acts, matters and things as they may in their discretion consider necessary, desirable or expedient to implement, or give effect to, or otherwise for the purposes of, or as contemplated under, or is otherwise in connection with, the HK Leasing Agreement.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. To re-elect retiring Directors.

By order of the Board
SUNEVISION HOLDINGS LTD.
So Wai-kei, Godwin
Director and Company Secretary

Hong Kong, 6 June 2014

Registered Office:
P.O. Box 309, Uglan House
Grand Cayman
KY1-1104
Cayman Islands

Head Office and Principal Place of Business:
MEGATOP, MEGA-iAdvantage
399 Chai Wan Road
Chai Wan
Hong Kong

Notes:

1. Any shareholder of the Company entitled to attend and vote at the extraordinary general meeting (the “EGM”) of the Company is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time of the EGM or any adjournment thereof.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof; and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. With reference to Resolution no. 2 above, Messrs. Lee Wai-kwong, Sunny and Fung Yuk-lun, Allen (who were appointed as independent non-executive Director and non-executive Director of the Company with effect from 1 November 2013 and 1 January 2014 respectively) will hold office until the EGM and shall be eligible for re-election thereat. Details of the retiring Directors are set out in Appendix II to the circular dated 6 June 2014.

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