

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**建業實業有限公司**  
**Chinney Investments, Limited**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 216)**



**漢國置業有限公司**  
**Hon Kwok Land Investment Company, Limited**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 160)**



**建聯集團有限公司\***  
**Chinney Alliance Group Limited**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 385)**

## **JOINT ANNOUNCEMENT**

### **CONNECTED TRANSACTION IN RELATION TO DATA CENTRE CONSULTANCY AGREEMENT**

On 12 June 2018 (after trading hours), Gold Famous and Shun Cheong Data Centre Solutions entered into the Data Centre Consultancy Agreement, pursuant to which Shun Cheong Data Centre Solutions was appointed by Gold Famous as the consultant to provide consultancy services in respect of the construction and development of the Data Centre Project located in Kwai Chung for a fixed fee of HK\$16,200,000. The term of the engagement under the Data Centre Consultancy Agreement will cover the whole construction and development period of the Data Centre Project until 12 months after issuance of the Building Occupation Permit. The Building Occupation Permit is now expected to be issued in late 2019.

As at the date of this announcement, Gold Famous is an indirect wholly-owned subsidiary of Hon Kwok and an indirect non wholly-owned subsidiary of Chinney Investments, and Shun Cheong Data Centre Solutions is an indirect wholly-owned subsidiary of Chinney Alliance.

Chinney Investments is interested in approximately 68.09% of the issued shares of Hon Kwok and approximately 29.10% of the issued shares of Chinney Alliance. Dr. James Sai-Wing Wong is the chairman and executive director of Chinney Investments, Hon Kwok and Chinney Alliance and is beneficially interested in (a) approximately 62.02% of the issued shares of Chinney Investments; (b) approximately 69.72% of the issued shares of Hon Kwok (including those 68.09% interests held through Chinney Investments); and (c) approximately 73.43% of the issued shares of Chinney Alliance (including those 29.10% interests held through Chinney Investments). Thus Chinney Investments, Hon Kwok and Chinney Alliance are connected persons to one another within the meaning of the Listing Rules.

Therefore, the entering into of the Data Centre Consultancy Agreement constitutes a connected transaction for each of the Companies under the Listing Rules. As the applicable percentage ratios for each of the respective Companies are more than 0.1% but less than 5%, the transactions contemplated under the Data Centre Consultancy Agreement are subject to the reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirement for each of the Companies under Chapter 14A of the Listing Rules.

The directors of the Companies are pleased to announce that on 12 June 2018 (after trading hours), Gold Famous and Shun Cheong Data Centre Solutions entered into the Data Centre Consultancy Agreement in relation to the construction and development of the Data Centre Project located in Kwai Chung.

## **DATA CENTRE CONSULTANCY AGREEMENT**

### **Date**

12 June 2018 (after trading hours)

### **Parties**

- (1) Gold Famous, an indirect wholly-owned subsidiary of Hon Kwok and an indirect non wholly-owned subsidiary of Chinney Investments, is the owner and developer of the Data Centre Project; and
- (2) Shun Cheong Data Centre Solutions, an indirect wholly-owned subsidiary of Chinney Alliance, is a consultancy company principally engaged in providing solutions in respect of design and planning, project management, facilities delivery, operation and maintenance of data centres.

### **Consultancy services**

Pursuant to the Data Centre Consultancy Agreement, Shun Cheong Data Centre Solutions was appointed as the consultant to provide consultancy services for the Data Centre Project, which mainly include:

- To illustrate the optional layouts in the test-fits of the data centre;
- To liaise with utilities companies regarding the maximum electrical loading requirements and telecommunication capacities;
- To provide principal data centre design concept and overall planning review of the development;
- To review with the project architectural consultant team to formalise infrastructural provisions for the statutory submissions;
- To study and develop the optimum rack layout for the modular data halls such as effective rack load density, circulating corridor, maintenance space, rack height, cabling zone, facility zone and spacing, etc.;

- To provide detailed design for modular data halls and consultancy services for statutory submissions in accordance with the design;
- To attend project management and progress meetings and to monitor and review the latest project schedule and identify critical milestones during the construction and development stages; and
- To explore potential tenants globally and create tailored proposals to meet customer's specific requirements on data centre design and specifications.

## **Term**

The term of the engagement under the Data Centre Consultancy Agreement will commence from the date of the Data Centre Consultancy Agreement and cover the whole construction and development period of the Data Centre Project until 12 months after issuance of the Building Occupation Permit. The Building Occupation Permit is now expected to be issued in late 2019.

Pursuant to the Data Centre Consultancy Agreement, Gold Famous may terminate the services of Shun Cheong Data Centre Solutions if it is in material breach of its obligations under the Data Centre Consultancy Agreement and it has not commenced to remedy such breach within thirty days after receipt of a written notice to that effect from Gold Famous. Shun Cheong Data Centre Solutions may also suspend or terminate performance of its services if any Consultancy Fee payable has been outstanding for more than sixty days from the date of the relevant invoice of Shun Cheong Data Centre Solutions.

## **The Consultancy Fee**

The Consultancy Fee is fixed at HK\$16,200,000, which will be payable by Gold Famous to Shun Cheong Data Centre Solutions in the following manner: i) HK\$4,860,000 (30%) within one month following the execution of the Data Centre Consultancy Agreement; ii) HK\$4,860,000 (30%) within seven days after six months of the date of execution of the Data Centre Consultancy Agreement; iii) HK\$2,430,000 (15%) on the first anniversary date of the Data Centre Consultancy Agreement; iv) HK\$2,430,000 (15%) upon issuance of the Building Occupation Permit; and v) HK\$1,620,000 (10%) upon the expiry of 12 months after issuance of the Building Occupation Permit of the Data Centre Project, or upon full occupancy of the Data Centre Project with all the data halls therein are being leased, whichever is earlier.

The total construction costs of the Data Centre Project is now expected to be approximately HK\$1,100 million and the Consultancy Fee represents approximately 1.5% thereof.

The terms of the Data Centre Consultancy Agreement (including the Consultancy Fee) was arrived at after arm's length negotiations between Gold Famous and Shun Cheong Data Centre Solutions. Gold Famous has obtained quotations from two data centre solutions consultants who are independent third parties and has compared their quotations and scope of works, and is of the opinion that the terms and prices for the provision of data centre consultancy services to Gold Famous by Shun Cheong Data Centre Solutions are no less favourable than the terms and prices for the provision of similar services by other data centre solutions consultants.

## **Reasons for and benefits of the Data Centre Consultancy Agreement**

The principal activities of Hon Kwok Group are property development and property investment. The land site of the Data Centre Project was acquired by Hon Kwok Group through government public tender in Hong Kong in 2015, and is now planned to be developed as a data centre for recurrent operating and rental income.

A data centre is a facility used to house computer systems and associated components, such as telecommunications and storage systems. Data centres provide uninterrupted service to business-critical data processing operations and constitute an essential part of the infrastructure in a knowledge-based economy. The data centre sector has been growing fast in Hong Kong in recent years and it is expected that the demand for data centres in the coming years will continue to increase. According to the Office of the Government Chief Information Officer, the Hong Kong Government is committed to fostering Hong Kong as the prime location for data centres in Asia Pacific in developing Hong Kong into a hub for technological cooperation and trade. Thus, the management of Hon Kwok Group considers that the development of the Data Centre Project will be a valuable business opportunity to capture the prospective growth in the local market of data centre premises leasing which shall be classified as a property investment activity in the ordinary course of business of Hon Kwok Group.

Nevertheless, the development of a data centre is highly technical and requires specialised expertise and capabilities. The management of Hon Kwok Group therefore considers that it is essential to engage a consultant in this area to assist in the development process.

Shun Cheong Data Centre Solutions is a wholly-owned subsidiary under CAG Group which, through its various subsidiaries, engages in the provision of solutions in respect of design and planning, project management, facilities delivery, operation and maintenance of data centres. They have completed a number of projects in Hong Kong and the Mainland China regarding the design and build solutions and facilities installation of data centres. Thus, the management of Hon Kwok considers that the engagement of Shun Cheong Data Centre Solutions could capitalise on their experience and expertise and assist Gold Famous in the development of the Data Centre Project. It is also beneficial to both of Gold Famous and Shun Cheong Data Centre Solutions to cooperate with each other given the close relationship amongst the Companies that will enhance work efficiency and effective communication and the joint efforts of the Parties would provide a more comprehensive and coordinated service in the common interest of the Companies.

In light of the above, i) the CIL Board, including the independent non-executive directors of Chinney Investments, considers that the entering into of the Data Centre Consultancy Agreement is in the ordinary course of business of Chinney Investments Group and terms therein are on normal commercial terms, fair and reasonable and in the interests of Chinney Investments and its shareholders as a whole; ii) the Hon Kwok Board, including the independent non-executive directors of Hon Kwok, considers that the entering into of the Data Centre Consultancy Agreement is in the ordinary course of business of Hon Kwok Group and terms therein are on normal commercial terms, fair and reasonable and in the interests of Hon Kwok and its shareholders as a whole; and iii) the

CAG Board, including the independent non-executive directors of Chinney Alliance, considers that the entering into of the Data Centre Consultancy Agreement is in the ordinary course of business of CAG Group and terms therein are on normal commercial terms, fair and reasonable and in the interests of Chinney Alliance and its shareholders as a whole.

Under the articles of association of Chinney Investments, a director should not vote (nor be counted in the quorum) on any resolution of the CIL Board in respect of any contract or arrangement in which he/she is to his/her knowledge materially interested. Accordingly, Dr. James Sai-Wing Wong has not voted or been counted in the quorum on the resolutions of Chinney Investments approving the Data Centre Consultancy Agreement. Dr. Emily Yen Wong, being the daughter of Dr. James Sai-Wing Wong, has also abstained from voting on the said board resolutions voluntarily for the purpose of good corporate governance.

Under the articles of association of Hon Kwok, a director should not vote (nor be counted in the quorum) on any resolution of the Hon Kwok Board in respect of any contract or arrangement in which he/she is to his/her knowledge materially interested. Accordingly, Dr. James Sai-Wing Wong has not voted or been counted in the quorum on the resolutions of Hon Kwok approving the Data Centre Consultancy Agreement. Mr. James Sing-Wai Wong, being the son of Dr. James Sai-Wing Wong, has also abstained from voting on the said board resolutions voluntarily for the purpose of good corporate governance.

Under the bye-laws of Chinney Alliance, a director should not vote (nor be counted in the quorum) on any resolution of the CAG Board in respect of any contract or arrangement in which he/she is to his/her knowledge materially interested. Accordingly, Dr. James Sai-Wing Wong has not voted or been counted in the quorum on the resolutions of Chinney Alliance approving the Data Centre Consultancy Agreement. Mr. James Sing-Wai Wong, being the son of Dr. James Sai-Wing Wong, has also abstained from voting on the said board resolutions voluntarily for the purpose of good corporate governance.

## **INFORMATION ON THE PARTIES**

Gold Famous is a company incorporated in Hong Kong with limited liability and is principally engaged in property development business in Hong Kong.

Shun Cheong Data Centre Solutions is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of solutions in respect of design and planning, project management, facilities delivery, operation and maintenance of data centres.

## **INFORMATION ON THE COMPANIES**

Chinney Investments is an investment holding company incorporated in Hong Kong with limited liability. Chinney Investments Group (excluding Hon Kwok Group and CAG Group) is mainly engaged in garment manufacturing and trading and investment holding.

Hon Kwok is an investment holding company incorporated in Hong Kong with limited liability. Hon Kwok Group is mainly engaged in property development, property investment and property related businesses.

Chinney Alliance is a company incorporated in Bermuda with limited liability. CAG Group is mainly engaged in (i) trading of plastics and chemical products; (ii) provision of building related contracting services; (iii) provision of foundation piling works and sub-structure works; (iv) superstructure construction works; (v) distribution of aviation systems and other hi-tech products; and (vi) property and investment holding.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Gold Famous is an indirect wholly-owned subsidiary of Hon Kwok and an indirect non wholly-owned subsidiary of Chinney Investments, and Shun Cheong Data Centre Solutions is an indirect wholly-owned subsidiary of Chinney Alliance.

Chinney Investments is interested in approximately 68.09% of the issued shares of Hon Kwok and approximately 29.10% of the issued shares of Chinney Alliance. Dr. James Sai-Wing Wong is the chairman and executive director of Chinney Investments, Hon Kwok and Chinney Alliance and is beneficially interested in (a) approximately 62.02% of the issued shares of Chinney Investments; (b) approximately 69.72% of the issued shares of Hon Kwok (including those 68.09% interests held through Chinney Investments); and (c) approximately 73.43% of the issued shares of Chinney Alliance (including those 29.10% interests held through Chinney Investments). Thus, Chinney Investments, Hon Kwok and Chinney Alliance are connected persons to one another within the meaning of the Listing Rules.

Therefore, the entering into of the Data Centre Consultancy Agreement constitutes a connected transaction for each of the Companies under the Listing Rules. As the applicable percentage ratios for each of the respective Companies are more than 0.1% but less than 5%, the transactions contemplated under the Data Centre Consultancy Agreement are subject to the reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirement for each of the Companies under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Building Occupation Permit”	the occupation permit to be issued by the Buildings Department of Hong Kong in respect of the Data Centre Project in accordance with the Buildings Ordinance, Chapter 123 of the Laws of Hong Kong
“CAG Board”	the board of directors of Chinney Alliance
“CAG Group”	Chinney Alliance and its subsidiaries

“Chinney Alliance”	Chinney Alliance Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Chinney Investments”	Chinney Investments, Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange, and is the holding company of Hon Kwok
“Chinney Investments Group”	Chinney Investments and its subsidiaries
“CIL Board”	the board of directors of Chinney Investments
“Companies”	Chinney Investments, Hon Kwok and Chinney Alliance
“connected person”	has the meaning given to it under the Listing Rules
“Consultancy Fee”	a sum of Hong Kong Dollars Sixteen Million and Two Hundreds Thousands (HK\$16,200,000), being the consultancy fee payable by Gold Famous to Shun Cheong Data Centre Solutions under the Data Centre Consultancy Agreement
“Data Centre Consultancy Agreement”	a consultancy agreement dated 12 June 2018 entered into between Gold Famous and Shun Cheong Data Centre Solutions in relation to the construction and development of the Data Centre Project located in Kwai Chung, Hong Kong
“Data Centre Project”	the construction and development of a data centre in a parcel of land situated at and known as K.C.T.L. 495, Kin Chuen Street, Kwai Chung, New Territories, Hong Kong
“Dr. James Sai-Wing Wong”	Dr. James Sai-Wing Wong, the chairman and executive director of each of Chinney Investments, Hon Kwok and Chinney Alliance
“Gold Famous”	Gold Famous Development Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of Hon Kwok and an indirect non wholly-owned subsidiary of Chinney Investments
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hon Kwok”	Hon Kwok Land Investment Company, Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Hon Kwok Board”	the board of directors of Hon Kwok
“Hon Kwok Group”	Hon Kwok and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	Gold Famous and Shun Cheong Data Centre Solutions, being the parties to the Data Centre Consultancy Agreement

“Shun Cheong Data Centre Solutions”	Shun Cheong Data Centre Solutions Company Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of Chinney Alliance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**Chinney Investments, Limited**  
**Ka-Yee Wan**  
*Company Secretary*

By Order of the Board  
**Hon Kwok Land Investment Company, Limited**  
**Ka-Yee Wan**  
*Company Secretary*

By Order of the Board  
**Chinney Alliance Group Limited**  
**Yun-Sang Lo**  
*Company Secretary*

Hong Kong, 12 June 2018

*At the date of this announcement, the directors of Chinney Investments are Dr. James Sai-Wing Wong (Chairman) and Mr. Yuen-Keung Chan (Managing Director) as executive directors; Mr. Paul Hon-To Tong and Dr. Emily Yen Wong as non-executive directors; and Dr. Clement Kwok-Hung Young, Mr. James C. Chen and Mr. Richard Chi-Ho Lo as independent non-executive directors.*

*At the date of this announcement, the directors of Hon Kwok are Dr. James Sai-Wing Wong (Chairman), Mr. Yuen-Keung Chan, Mr. Xiao-Ping Li and Mr. Peter Chi-Chung Luk as executive directors; Mr. James Sing-Wai Wong as non-executive director; and Dr. Daniel Chi-Wai Tse, Mr. Zuo Xiang and Mr. William Kwan-Lim Chu as independent non-executive directors.*

*At the date of this announcement, the board of directors of Chinney Alliance are Dr. James Sai-Wing Wong, Mr. Yuen-Keung Chan, Mr. James Sing-Wai Wong and Mr. Philip Bing-Lun Lam as executive directors; Ms. Wendy Kim-See Gan as non-executive director; and Mr. Yuen-Tin Ng, Mr. Chi-Chiu Wu and Mr. Ronald James Blake as independent non-executive directors.*

*\*For identification purpose only*