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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 a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sunfonda Group Holdings Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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Sunfonda Group Holdings
SUNFONDA GROUP HOLDINGS LIMITED
新豐泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01771)

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY;
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY;
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of Sunfonda Group Holdings Limited to be held at Conference Room No. 2, 5/F of Office Building, Sunfonda Automobile Center, Beichen Avenue, Chanba Ecological District, Xi'an City, Shaanxi Province, The People's Republic of China on Tuesday, 21 June 2022 at 10:00 a.m. is set out on pages 18 to 21 of this circular. A proxy form for use at the 2022 AGM is enclosed with this circular. Such proxy form is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.sunfonda.com.cn).

Whether or not you are able to attend the 2022 AGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar (i.e. Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the 2022 AGM (i.e. not later than 10:00 a.m. on Sunday, 19 June 2022) or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the 2022 AGM if they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

21 April 2022

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DEFINITIONS

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

“2022 AGM”	an annual general meeting of the Company to be held at Conference Room No. 2, 5/F of Office Building, Sunfonda Automobile Center, Beichen Avenue, Chanba Ecological District, Xi’an City, Shaanxi Province, The People’s Republic of China on Tuesday, 21 June 2022 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 18 to 21 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company currently in force;
“Board”	the board of Directors;
“Company”	Sunfonda Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, means Mr. Wu, Ms. Chiu, Golden Speed, Win Force and Top Wheel and any one of them;
“Director(s)”	the director(s) of the Company;
“Golden Speed”	Golden Speed Enterprises Limited, an investment holding company incorporated under the laws of the British Virgin Islands on 11 January 2011, which is wholly owned by Mr. Wu and is a Controlling Shareholder;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board of this circular;
“Latest Practicable Date”	12 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Management Trust”	a revocable discretionary trust with Cantrust (Far East) Limited as the trustee and Top Wheel as the settlor for the purposes of recognizing and rewarding the contribution and performance of certain Directors and senior management of the Group;
“Mr. Wu”	Mr. Wu Tak Lam, the Chairman of the Company, an executive Director, a Controlling Shareholder and the husband of Ms. Chiu;
“Ms. Chiu”	Ms. Chiu Man, the chief executive officer of the Group, an executive Director, a Controlling Shareholder and the wife of Mr. Wu;
“Pre-IPO Share Award Scheme”	the share award scheme adopted by the Company on 8 January 2014;
“Repurchase Mandate”	as defined in paragraph 2(a) of the Letter from the Board of this circular;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of US\$0.0001 each in the capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong;
“Top Wheel”	Top Wheel Limited, a limited liability company incorporated under the laws of the British Virgin Islands on 1 February 2011 and a Controlling Shareholder;
“US\$”	lawful currency of the United States;
“Westernrobust”	Westernrobust Company Limited, owned by Cantrust (Far East) Limited as a trustee pursuant to the Management Trust;

DEFINITIONS

“Win Force”

Win Force Enterprises Limited, an investment holding company incorporated under the laws of the British Virgin Islands on 11 January 2011, which is wholly owned by Ms. Chiu and is a Controlling Shareholder; and

“%”

per cent.

LETTER FROM THE BOARD



Sunfonda Group Holdings
SUNFONDA GROUP HOLDINGS LIMITED
新豐泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01771)

Executive Directors:

Mr. Wu Tak Lam (*Chairman*)
Ms. Chiu Man (*Chief Executive Officer*)
Mr. Gou Xinfeng
Ms. Chen Wei

Registered Office:

Grand Pavilion, Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205
Cayman Islands

Independent Non-executive Directors:

Mr. Liu Jie
Mr. Song Tao
Dr. Liu Xiaofeng

Principal Place of Business in Hong Kong:

Suite 3, 22/F, Sino Plaza
255-257 Gloucester Road
Causeway Bay, Hong Kong

21 April 2022

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY,
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the 2022 AGM for (i) the granting of the Repurchase Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the number of issued Shares repurchased by the Company under the Repurchase Mandate; and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE REPURCHASE AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 25 May 2021, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Up to the Latest Practicable Date, such mandates have not been used and, if not used by the date of the 2022 AGM, will lapse at the conclusion of the 2022 AGM. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the 2022 AGM to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares, on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange not exceeding 10% of the total number of issued Shares as at the date of passing such resolution (i.e. not exceeding 60,000,000 Shares, on the basis that the total number of issued Shares, being 600,000,000 Shares, remains unchanged as at the date of the 2022 AGM) (the “**Repurchase Mandate**”);
- (b) to allot, issue or deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing such resolution (i.e. not exceeding 120,000,000 Shares, on the basis that the total number of issued Shares, being 600,000,000 Shares, remains unchanged as at the date of the 2022 AGM) (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the 2022 AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 9 and 10 of the notice of the 2022 AGM as set out on pages 18 to 21 of this circular.

In accordance with the requirements of the Listing Rules, the Company shall send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 16.18 of the Articles of Association, Mr. Wu Tak Lam, Ms. Chiu Man, Mr. Song Tao and Dr. Liu Xiaofeng will retire by rotation at the 2022 AGM. All of the above four Directors, being eligible, will offer themselves for re-election at the 2022 AGM.

Mr. Song Tao and Dr. Liu Xiaofeng, the retiring independent non-executive Directors, have confirmed to the Board their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The nomination committee of the Company (the “**Nomination Committee**”) has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with

LETTER FROM THE BOARD

reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy, the Company's corporate strategy, and the independence of independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors, including the aforesaid independent non-executive Directors, who are due to retire at the 2022 AGM. The Company considers that the retiring independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and believes that the academic background and extensive business experience of Mr. Song Tao and Dr. Liu Xiaofeng will continue to bring diversity and new perspectives to the Board for its efficient and effective functioning.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the above four Directors proposed to be re-elected at the 2022 AGM are set out in Appendix II to this circular.

4. THE 2022 AGM AND PROXY ARRANGEMENT

The notice of the 2022 AGM is set out on pages 18 to 21 of this circular. At the 2022 AGM, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of the retiring Directors.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the 2022 AGM. An announcement on the poll results will be made by the Company after the 2022 AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. A proxy form for use at the 2022 AGM is enclosed with this circular and such proxy form is also uploaded on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunfonda.com.cn). Whether or not you are able to attend the 2022 AGM, please complete and sign the proxy form in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, to the Company's Hong Kong share registrar (i.e. Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) as soon as possible but in any event not less than 48 hours before the time appointed for holding the 2022 AGM (i.e. not later than 10:00 a.m. on Sunday, 19 June 2022) or any adjournment thereof. Completion and delivery of the proxy form will not preclude you from attending and voting at the 2022 AGM if you so wish and in such event, your proxy form shall be deemed to be revoked.

5. RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate, the granting/extension of the Issuance Mandate and the re-election of the retiring Directors are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2022 AGM.

LETTER FROM THE BOARD

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular: Appendix I – Explanatory Statement on the Repurchase Mandate; and Appendix II – Details of the Retiring Directors Proposed to be Re-elected at the 2022 AGM.

Yours faithfully,
By order of the Board
Mr. Wu Tak Lam
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2022 AGM in relation to the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares was 600,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the 2022 AGM in respect of the granting of the Repurchase Mandate and on the basis that the total number of issued Shares remains unchanged as at the date of the 2022 AGM, i.e. being 600,000,000 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, 60,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of the 2022 AGM.

3. FUNDING OF REPURCHASE OF SHARES

Repurchases of Shares will be funded from the Company's internal resources, which shall be funds legally available for such purposes in accordance with the Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASE OF SHARES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2021) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time befitting the Company.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the Controlling Shareholders were collectively interested in 438,423,800 issued Shares, representing approximately 73.07% of the total number of issued Shares. Out of these Shares, 434,183,000 Shares (being approximately 72.36% of the total number of issued Shares) are held by Top Wheel directly and 4,240,800 Shares (being approximately 0.71% of the total number of issued Shares) are held by Westernrobust.

The issued share capital of Top Wheel is owned as to 70% by Golden Speed, a corporation wholly owned and controlled by Mr. Wu, and 30% by Win Force, a corporation wholly owned and controlled by Ms. Chiu. The entire issued share capital of Westernrobust is owned by the Management Trust pursuant to the Pre-IPO Share Award Scheme. Top Wheel is the settlor of the Management Trust and possesses all voting rights attached to the unawarded Shares and awarded Shares which have not vested under the Management Trust.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate (presuming that there is no other change in the number of issued Shares), the aggregate shareholding of the above Controlling Shareholders would, based on their current shareholdings, be increased to approximately 81.19% of the total number of issued Shares immediately after the full exercise of the Repurchase Mandate. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

However, the Listing Rules prohibit a company from making repurchase of shares on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the number of the company's issued shares would be in public hands. The Directors therefore will not propose to repurchase Shares if it would result in less than the prescribed minimum percentage of Shares in public hands.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
April	2.00	1.74
May	2.40	1.70
June	2.26	1.93
July	3.68	2.12
August	3.29	2.62
September	2.80	2.20
October	2.60	2.21
November	2.46	2.02
December	2.45	2.14
2022		
January	2.57	1.88
February	2.05	1.82
March	1.90	1.51
April (up to the Latest Practicable Date)	1.90	1.89

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the 6 months immediately preceding the Latest Practicable Date.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2022 AGM

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the 2022 AGM, are provided below.

(1) MR. WU TAK LAM

Position and experience

Mr. Wu Tak Lam (胡德林), aged 60, was appointed as the Chairman of the Company and an executive Director on 13 January 2011. He is also the chairman of both the Nomination Committee and the Finance and Investment Committee of the Company. Mr. Wu founded the Group with Ms. Chiu Man in November 2000 and has been primarily responsible for the strategic management, planning and business development of the Group as well as the development and maintenance of relationship with automobile suppliers of the Group. Mr. Wu serves as the chairman of the board and a director of each of the subsidiaries of the Company, and he has also been a director of Sunfonda (Hong Kong) Limited since April 1997. Prior to the establishment of the Group, Mr. Wu worked at China National Automotive Industry Sales Corp. (中國汽車工業銷售總公司) from July 1986 to December 1992. From August 1993 to March 1997, Mr. Wu was the managing director of Sunfonda Limited (新豐泰有限公司), which conducted import and export trade business and was dissolved in September 2002. He graduated from Wuhan Institute of Technology (武漢工學院, currently known as Wuhan University of Technology (武漢理工大學)) in Wuhan, China, majoring in automobile and tractor studies and obtained a bachelor's degree in engineering in July 1986. He is also the sole shareholder and director of Golden Speed (a Controlling Shareholder), a director of Top Wheel (a controlled corporation of Golden Speed and a Controlling Shareholder), and the husband of Ms. Chiu Man (the chief executive officer of the Group, an executive Director and a Controlling Shareholder).

Mr. Wu has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the existing service contract entered into between Mr. Wu and the Company, his current term of office is 3 years commencing from 15 May 2020, unless terminated by either party giving to the other not less than 3 months' prior notice in writing. He is also subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

Mr. Wu is the sole shareholder and director of Golden Speed (a Controlling Shareholder), a director of Top Wheel (a controlled corporation of Golden Speed and a Controlling Shareholder), and the husband of Ms. Chiu (the chief executive officer of the Group, an executive Director and a Controlling Shareholder).

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2022 AGM

Save as disclosed above and disclosed in the immediately following section “Interests in Shares”, Mr. Wu does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or Controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wu was deemed to be interested in 438,423,800 Shares, representing approximately 73.07% of the issued Shares. These Shares are held as to 434,183,000 Shares by Top Wheel and 4,240,800 Shares by Westernrobust.

The issued share capital of Top Wheel is owned as to 70% by Golden Speed, a corporation wholly owned and controlled by Mr. Wu, and 30% by Win Force, a corporation wholly owned and controlled by Ms. Chiu. As Top Wheel is a controlled corporation of Mr. Wu, Ms. Chiu, Golden Speed and Win Force, they are deemed to be interested in the 434,183,000 Shares held by Top Wheel pursuant to Part XV of the SFO.

The entire issued share capital of Westernrobust is owned by the Management Trust pursuant to the Pre-IPO Share Award Scheme. Top Wheel is the settlor of the Management Trust and possesses all voting rights attached to the unawarded shares and awarded shares which have not vested under the Management Trust. Thus, the Management Trust and Top Wheel are deemed to be interested in the 4,240,800 Shares held by Westernrobust. As Top Wheel is a controlled corporation of Mr. Wu, Ms. Chiu, Golden Speed and Win Force, they are also deemed to be interested in the 4,240,800 Shares held by Westernrobust pursuant to Part XV of the SFO.

Save as disclosed above, Mr. Wu was not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director’s emoluments

Mr. Wu is entitled to receive a Director’s fee of RMB1,500,000 per annum. Mr. Wu is also eligible to participate in the Pre-IPO Share Award Scheme and the share option scheme of the Company. The above emolument of Mr. Wu is recommended by the Company’s Remuneration Committee and approved by the Board with reference to Mr. Wu’s qualifications, experience and role and duties in the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Wu to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Wu that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2022 AGM

(2) MS. CHIU MAN

Position and experience

Ms. Chiu Man (趙敏), aged 58, was appointed as the chief executive officer of the Group and an executive Director on 13 January 2011. She is also a member of the Finance and Investment Committee of the Company. Ms. Chiu founded the Group with Mr. Wu Tak Lam in November 2000 and has been primarily responsible for the overall management and financial control of the Group. Ms. Chiu serves as a director in each of the subsidiaries of the Company and has also been a director of Sunfonda (Hong Kong) Limited since April 1997. Ms. Chiu graduated from Wuhan Institute of Technology (武漢工學院, currently known as Wuhan University of Technology (武漢理工大學)) in Wuhan, China, majoring in automobile and tractor studies and obtained a bachelor's degree in engineering in July 1986. She is also the sole shareholder and director of Win Force (a Controlling Shareholder), a director of Top Wheel (a controlled corporation of Win Force and a Controlling Shareholder), and the wife of Mr. Wu (the Chairman of the Company, an executive Director and a Controlling Shareholder).

Ms. Chiu has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the existing service contract entered into between Ms. Chiu and the Company, her current term of office is 3 years commencing from 15 May 2020, unless terminated by either party giving to the other not less than 3 months' prior notice in writing. She is also subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

Ms. Chiu is the sole shareholder and director of Win Force (a Controlling Shareholder), a director of Top Wheel (a controlled corporation of Win Force and a Controlling Shareholder), and the wife of Mr. Wu (the Chairman of the Company, an executive Director and a Controlling Shareholder).

Save as disclosed above and disclosed in the immediately following section "Interests in Shares", Ms. Chiu does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or Controlling Shareholders (as defined in the Listing Rules).

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2022 AGM

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Chiu was deemed to be interested in 438,423,800 Shares, representing approximately 73.07% of the issued Shares. These Shares are held as to 434,183,000 Shares by Top Wheel and 4,240,800 Shares by Westernrobust.

The issued share capital of Top Wheel is owned as to 70% by Golden Speed, a corporation wholly owned and controlled by Mr. Wu, and 30% by Win Force, a corporation wholly owned and controlled by Ms. Chiu. As Top Wheel is a controlled corporation of Mr. Wu, Ms. Chiu, Golden Speed and Win Force, they are deemed to be interested in the 434,183,000 Shares held by Top Wheel pursuant to Part XV of the SFO.

The entire issued share capital of Westernrobust is owned by the Management Trust pursuant to the Pre-IPO Share Award Scheme. Top Wheel is the settlor of the Management Trust and possesses all voting rights attached to the unawarded shares and awarded shares which have not vested under the Management Trust. Thus, the Management Trust and Top Wheel are deemed to be interested in the 4,240,800 Shares held by Westernrobust. As Top Wheel is a controlled corporation of Mr. Wu, Ms. Chiu, Golden Speed and Win Force, they are also deemed to be interested in the 4,240,800 Shares held by Westernrobust pursuant to Part XV of the SFO.

Save as disclosed above, Ms. Chiu was not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Ms. Chiu is entitled to receive a Director's fee of RMB800,000 per annum. Ms. Chiu is also eligible to participate in the Pre-IPO Share Award Scheme and the share option scheme of the Company. The above emolument of Ms. Chiu is recommended by the Company's Remuneration Committee and approved by the Board with reference to Ms. Chiu's qualifications, experience and role and duties in the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Ms. Chiu to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Ms. Chiu that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2022 AGM

(3) MR. SONG TAO

Position and experience

Mr. Song Tao (宋濤), aged 44, was appointed as an independent non-executive Director on 26 May 2017. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company. Mr. Song has 21 years of experience in the automobile dealership industry, and currently serves as the Deputy Secretary-general of China Automobile Dealers Association. Mr. Song served as the financial manager of Beijing Parts Branch of FAW Jilin Light Automobile (一汽吉輕北京零部件) in 2001. He served as the Operation Director of Automotive Channel of CCTV International Network (央視國際網絡汽車頻道) in 2004. He acted as the Deputy Director of the Import and Export Working Committee of Automobile and Parts (汽車及零部件進出口工作委員會) of China Automobile Dealers Association in 2006. Mr. Song has been the Executive Deputy Director of the Imported Automobile Working Committee (進口汽車工作委員會) of China Automobile Dealers Association and the Director of the Expert Committee (專家委員會) of China Automobile Dealers Association since 2008. Mr. Song was a director of the Membership Affairs Department in 2008. Mr. Song established the Top 100 Office of China's Automobile Dealership Groups (中國汽車經銷商集團百強工作辦公室) in 2009 and served as the director; and he has established Dealers Association for various brands such as Benz, Faw-Volkswagen, Porsche, BMW, Audi and Jaguar Land Rover and acted as the vice chairman and secretary-general since 2010. In 2014, Mr. Song established Branch Auto Finance (汽車金融分會) of China Automobile Dealers Association and served as the secretary-general. In 2019, Mr. Song prepared for the establishment of the Branch Motorcycle (摩托車分會) of China Automobile Dealers Association and served as the vice president and secretary-general. Mr. Song is also a member of Chinese Advisory Committee of American Society of Association Executives (ASAE). Mr. Song graduated from Beihua University (北華大學), majoring in accounting computerization.

Mr. Song has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr. Song, his current term of office is 3 years from 24 May 2020, unless terminated by either party giving to the other not less than 3 months' prior notice in writing. He is also subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

As far as the Directors are aware, Mr. Song does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2022 AGM

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Song was not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the letter of appointment issued by the Company to Mr. Song, he is entitled to receive a Director's service fee of HK\$220,000 per annum. The above emolument of Mr. Song is recommended by the Company's Remuneration Committee and approved by the Board with reference to Mr. Song's qualifications, experience and role and duties in the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Song to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Song that need to be brought to the attention of the Shareholders.

(4) DR. LIU XIAOFENG

Position and experience

Dr. Liu Xiaofeng (劉曉峰), aged 60, was appointed as an independent non-executive Director on 26 May 2017. He is also a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Dr. Liu has over 28 years of experience in corporate finance and has worked with various international financial institutions since 1993, including NM Rothschild & Sons, NM Rothschild & Sons (Hong Kong) Limited, JP Morgan Chase, DBS Asia Capital Limited and China Resources Capital Holdings Company Limited (華潤金融控股有限公司). Dr. Liu served as an independent non-executive director of each of Haier Electronics Group Co., Ltd. (海爾電器集團有限公司) (stock code: 1169) from June 2007 to June 2014, Hisense Kelon Electrical Holdings Company Limited (海信科龍電器股份有限公司) (currently known as Hisense Home Appliances Group Co., Ltd. (海信家電集團股份有限公司), stock code: 921) from September 2017 to August 2018 and Honghua Group Limited (宏華集團有限公司) (stock code: 196) from January 2008 to November 2021, all of which are listed on the Stock Exchange. In addition, Dr. Liu is currently an independent director of each of Kunlun Energy Company Limited (昆侖能源有限公司) (stock code: 135) since April 2004, Cinda International Holdings Limited (信達國際控股有限公司) (stock code: 111) since July 2016 and AAG Energy Holdings Limited (亞美能源控股有限公司) (stock code: 2686) since August 2018, all of which are listed on the Stock Exchange. Dr. Liu is also currently an independent director of UBS Securities Co., Ltd. Dr. Liu obtained a master's degree and a Ph.D. from the Faculty of Economics, University of Cambridge in England in 1988 and 1994 respectively, a master's degree in development studies from the University of Bath, England, in 1987, and a bachelor of economics degree from Southwest University of Finance and Economics (西南財經大學) (previously known as Sichuan Institute of Finance and Economics (四川財經學院)) in 1983.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2022 AGM

Save as disclosed above, Dr. Liu has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the letter of appointment issued by the Company to Dr. Liu, his current term of office is 3 years from 24 May 2020, unless terminated by either party giving to the other not less than 3 months' prior notice in writing. He is also subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

As far as the Directors are aware, Dr. Liu does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Dr. Liu was not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the letter of appointment issued by the Company to Dr. Liu, he is entitled to receive a Director's service fee of HK\$250,000 per annum. The above emolument of Dr. Liu is recommended by the Company's Remuneration Committee and approved by the Board with reference to Dr. Liu's qualifications, experience and role and duties in the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Dr. Liu to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Dr. Liu that need to be brought to the attention of the Shareholders.

NOTICE OF THE 2022 AGM



Sunfonda Group Holdings
SUNFONDA GROUP HOLDINGS LIMITED
新豐泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01771)

NOTICE IS HEREBY GIVEN that an annual general meeting of Sunfonda Group Holdings Limited (the “**Company**”) will be held at Conference Room No. 2, 5/F of Office Building, Sunfonda Automobile Center, Beichen Avenue, Chanba Ecological District, Xi’an City, Shaanxi Province, The People’s Republic of China on Tuesday, 21 June 2022 at 10:00 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended 31 December 2021;
2. To declare a final dividend of HK\$0.08 per share for the year ended 31 December 2021;
3. To re-elect Mr. Wu Tak Lam as an executive director of the Company;
4. To re-elect Ms. Chiu Man as an executive director of the Company;
5. To re-elect Mr. Song Tao as an independent non-executive director of the Company;
6. To re-elect Dr. Liu Xiaofeng as an independent non-executive director of the Company;
7. To authorize the board of directors of the Company to fix the respective directors’ remuneration;
8. To re-appoint Ernst & Young as auditors of the Company and to authorize the board of directors of the Company to fix the auditors’ remuneration;
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock

NOTICE OF THE 2022 AGM

exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with the applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;

- (b) the total number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.”;
10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);

NOTICE OF THE 2022 AGM

- (ii) the exercise of the outstanding conversion rights attaching to any convertible bonds or securities issued by the Company, which are convertible into shares of the Company;
- (iii) the exercise of options under a share option scheme of the Company; and
- (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the total number of issued shares of the Company as at the date of passing this resolution and this approval shall be limited accordingly; and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”; and

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the passing of the resolutions set out in items 9 and 10 of the notice convening this meeting (the **“Notice”**), the general mandate referred to in the resolution set out in item 10 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be

NOTICE OF THE 2022 AGM

allotted and issued by the directors of the Company pursuant to such general mandate of the number of shares purchased by the Company pursuant to the general mandate referred to in the resolution set out in item 9 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution.”.

By order of the Board
Sunfonda Group Holdings Limited
Mr. Wu Tak Lam
Chairman

21 April 2022

Notes:

- a. Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- b. In order to be valid, a proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company’s Hong Kong share registrar (i.e. Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 10:00 a.m. on Sunday, 19 June 2022) or any adjournment thereof. Delivery of the proxy form shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the proxy form shall be deemed to be revoked.
- c. To ascertain shareholders’ eligibility to attend and vote at the forthcoming annual general meeting of the Company to be held on Tuesday, 21 June 2022, the register of members of the Company will be closed from Thursday, 16 June 2022 to Tuesday, 21 June 2022 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the said meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar (i.e. Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) for registration no later than 4:30 p.m. on Wednesday, 15 June 2022.
- d. To ascertain shareholders’ entitlement to the proposed final dividend upon passing of the resolution no. 2 set out in this notice, the register of members of the Company will be closed from Tuesday, 28 June 2022 to Thursday, 30 June 2022 (both days inclusive), during which period no share transfer will be effected. In order to qualify for entitlement to the proposed final dividend, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar (i.e. Computershare Hong Kong Investor Services Limited, at its address shown in Note c above) for registration no later than 4:30 p.m. on Monday, 27 June 2022.