
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SUNDART HOLDINGS LIMITED 承達集團有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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SUNDART HOLDINGS LIMITED
承達集團有限公司

(incorporated under the laws of British Virgin Islands with limited liability)

(Stock code: 1568)

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of SUNDART HOLDINGS LIMITED 承達集團有限公司 to be held at 7/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 19 June 2024 at 10:00 a.m. is set out on pages 17 to 20 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sundart.com). Whether or not you are able to attend the AGM, you are requested to 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, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) (as the case may be) should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 7/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 19 June 2024 at 10:00 a.m. (or any adjournment thereof), a notice of which is set out on pages 17 to 20 of this circular
“Announcement”	the annual results announcement of the Company for the year ended 31 December 2023 dated 27 March 2024
“Annual Report”	the annual report 2023 of the Company
“Articles of Association”	the second amended and restated articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Beijing Jiangheyuan”	北京江河源控股有限公司 (Beijing Jiangheyuan Holdings Co., Ltd.*), a company established in the PRC with limited liability and a controlling shareholder of the Company
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Caiyun International”	Caiyun International Investment Limited (彩雲國際投資有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Yunnan Co and a substantial shareholder of the Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	SUNDART HOLDINGS LIMITED 承達集團有限公司, a company incorporated in the BVI with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1568)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, and in the context of the Company, means Mr. Liu, Ms. Fu, Beijing Jiangheyuan, Jangho Co, Jangho HK and Reach Glory
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Internal Control Committee”	the internal control committee of the Board
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM
“Jangho Co”	江河創建集團股份有限公司 (Jangho Group Company Limited*), a joint stock limited liability company established in the PRC (the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601886)) and a controlling shareholder of the Company
“Jangho HK”	Jangho Hong Kong Holdings Limited (江河香港控股有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Jangho Co and a controlling shareholder of the Company
“Latest Practicable Date”	9 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Macau”	the Macau Special Administrative Region of the PRC
“Memorandum”	the amended and restated memorandum of association of the Company, as amended from time to time
“Mr. Liu”	Mr. Liu Zaiwang (劉載望), the non-executive Director, a controlling shareholder of the Company and the spouse of Ms. Fu
“Ms. Fu”	Ms. Fu Haixia (富海霞), a controlling shareholder of the Company and the spouse of Mr. Liu

DEFINITIONS

“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, Macau and Taiwan
“Reach Glory”	REACH GLORY INTERNATIONAL LIMITED, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Jangho HK and a controlling shareholder of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors to repurchase Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-Backs issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“Yunnan Co”	雲南省康旅控股集團有限公司 (Yunnan Health & Cultural Tourism Holding Group Co., Ltd.*), a company established in the PRC with limited liability and a substantial shareholder of the Company
“%”	per cent.

* *The English translations of the Chinese names of companies established in the PRC are for identification purposes only.*

LETTER FROM THE BOARD



SUNDART HOLDINGS LIMITED

承達集團有限公司

(incorporated under the laws of British Virgin Islands with limited liability)

(Stock code: 1568)

Executive Directors:

Mr. Ng Tak Kwan (*Chief Executive Officer*)

Mr. Ng Chi Hang

Mr. Ding Jingyong

Mr. Guan Yihe

Mr. Xie Jianyu (*Chief Financial Officer*)

Non-executive Directors:

Mr. Liu Zaiwang (*Chairman*)

Ms. Yim Ka Man

Independent non-executive Directors:

Mr. Huang Pu

Mr. Li Zheng

Registered office:

Commerce House

Wickhams Cay 1, P.O. Box 3140

Road Town, Tortola

British Virgin Islands VG1110

*Headquarters and principal place of
business in Hong Kong:*

19/F, Millennium City 3

370 Kwun Tong Road

Kowloon

Hong Kong

17 May 2024

To the Shareholders

Dear Sirs or Madams,

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information on the resolutions to be proposed at the AGM for the approval of (a) the Issue Mandate; (b) the Repurchase Mandate; (c) the re-election of Directors; and (d) the re-appointment of auditor, and to give you notice of the AGM at which the resolutions will be proposed to consider and, if thought fit, to approve such matters.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND PURCHASE SHARES

Pursuant to the ordinary resolutions of the Company passed at the last annual general meeting of the Company held on 1 June 2023 (the “**2023 AGM**”), the Directors were granted by the then Shareholders (a) a general unconditional mandate to allot, issue and otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of the 2023 AGM; (b) a general unconditional mandate to repurchase Shares not exceeding 10% of the total number of Shares in issue as at the date of the 2023 AGM; and (c) the power to extend the general unconditional mandate mentioned in (a) above by an amount representing the aggregate number of Shares repurchased by the Company pursuant to the general unconditional mandate to repurchase securities referred to in (b) above (up to 10% of the total number of Shares in issue as at the date of the 2023 AGM).

The above general mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, *inter alia*, will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the power of the Company to allot, issue and otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors to repurchase Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of such resolution; and
- (c) conditional upon the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, to extend the Issue Mandate by an amount representing the aggregate number of Shares repurchased under the Repurchase Mandate (up to 10% of the total number of Shares in issue as at the date of passing of the resolution for approving the Repurchase Mandate).

The full texts of the above resolutions are set out in resolutions numbered 4 to 6 in the notice of the AGM contained in pages 18 to 20 of this circular.

Each of the Issue Mandate and the Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the expiration of the period within which the Company is required by any applicable laws of the BVI or the Articles of Association to hold its next annual general meeting; or (c) the time when such mandate is varied, revoked or renewed by an ordinary resolution of the Company in a general meeting.

Under Rule 10.06(1)(b) of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. The explanatory statement is set out in Appendix I to this circular.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, of which the executive Directors are Mr. Ng Tak Kwan, Mr. Ng Chi Hang, Mr. Ding Jingyong, Mr. Guan Yihe and Mr. Xie Jianyu; the non-executive Directors are Mr. Liu and Ms. Yim Ka Man; and the independent non-executive Directors are Mr. Huang Pu and Mr. Li Zheng.

In compliance with code provision B.2.2 as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules, every director should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 75(1) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Pursuant to the aforesaid provisions, three of the Directors, namely Mr. Ng Chi Hang, Mr. Xie Jianyu and Mr. Li Zheng shall retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Pursuant to article 74(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Ms. Yim Ka Man will hold office until the AGM pursuant to article 74(3) of the Articles of Association and, being eligible, offer herself for re-election at the AGM.

Particulars of each of the Directors proposed to be re-elected at the AGM which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

Set out below is information relating to the resolution to be proposed at the AGM for re-electing Mr. Li Zheng as an independent non-executive Director pursuant to code provision B.3.4 as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules.

The Company has in place a nomination policy (the “**Nomination Policy**”) which sets out the selection criteria and procedures to be adopted when considering candidates to be appointed or re-elected as Directors. In assessing the re-election of Mr. Li Zheng as an independent non-executive Director, the Nomination Committee has considered his overall contribution and service to the Company, reviewed his expertise and professional qualifications to determine whether he satisfies the selection criteria under the Nomination Policy and considered the number of listed company directorship held by him. In addition, the Nomination Committee has also taken into account the diversity aspects (including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge). The appointment of Mr. Li Zheng was considered against the said objective criteria and based on merits, having due regard for the benefits of diversity on the Board.

The Nomination Committee considers Mr. Li Zheng has the reputation for integrity to act as a Director and possesses knowledge in the fields of management, economics and finance. Furthermore, Mr. Li Zheng possesses broad and extensive experience and professional knowledge in the field of law to bring objective and unfettered independent judgement and valuable contributions to the Board.

LETTER FROM THE BOARD

In assessing the independence of Mr. Li Zheng, the Nomination Committee has assessed and reviewed the annual written confirmation of independence given by Mr. Li Zheng pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee has also considered the contribution of Mr. Li Zheng, and is satisfied that he has continued to provide independent and objective judgement and advice to the Board, through scrutinising and monitoring the Group's affairs with a view to safeguarding the interests of the Group and the Shareholders. The Nomination Committee was satisfied with the independence of Mr. Li Zheng, and he remains independent.

PROPOSED RE-APPOINTMENT OF AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by the auditor of the Company, BDO Limited, whose term of office will expire upon the AGM.

The Board proposed to re-appoint BDO Limited as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

AGM AND PROXY ARRANGEMENT

Reference is made to the Announcement and the Annual Report.

Due to changes in meeting arrangement, the AGM originally scheduled to be held on Monday, 3 June 2024 at 10:00 a.m. as set out in the Announcement and the Annual Report has been rescheduled. The AGM will now be held on Wednesday, 19 June 2024 at 10:00 a.m. at 7/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

A notice of the AGM is set out on pages 17 to 20 of this circular.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you are able to attend the AGM, you are requested to 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, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) (as the case may be) should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

With the change of the date of the AGM, in order to establish entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 14 June 2024 to 19 June 2024, both days inclusive, during which no transfer of Shares will be registered. All transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 13 June 2024.

RESPONSIBILITY STATEMENT

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

RECOMMENDATIONS

The Directors consider that the proposed resolutions as set out in the notice of the AGM contained in pages 17 to 20 of this circular including the proposals for (a) the Issue Mandate; (b) the Repurchase Mandate; (c) the re-election of Directors; and (d) the re-appointment of auditor, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By order of the Board
SUNDART HOLDINGS LIMITED
承達集團有限公司
Ng Tak Kwan
Chief Executive Officer and Executive Director

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase shares on the Stock Exchange and any other stock exchange on which securities of such company are listed and such exchange recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

SHARES

As at the Latest Practicable Date, there were a total of 2,158,210,000 Shares in issue.

The Repurchase Mandate will enable the Directors to repurchase the Shares up to a maximum of 10% of the aggregate number of the Shares in issue as at the date of passing of the relevant ordinary resolution at the AGM. Subject to the passing of the proposed resolution granting the Repurchase Mandate and assuming that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 215,821,000 Shares.

The Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the expiration of the period within which the Company is required by any applicable laws of the BVI or the Articles of Association to hold its next annual general meeting; or (c) the time when such mandate is varied, revoked or renewed by an ordinary resolution of the Company in a general meeting.

FUNDING OF REPURCHASE

In purchasing its own securities, the Company will only apply funds legally available for such purposes in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of the BVI. Any repurchase by the Company may only be made if the value of the Company's assets exceeds its liabilities and the Company is able to pay its debts as they fall due. The Company shall not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange prevailing from time to time.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase the Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share. 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.

EFFECT OF EXERCISING THE REPURCHASE MANDATE

The Directors consider that there might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2023 in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or on the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates currently intends to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders at the AGM.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is approved by the Shareholders at the AGM.

EXERCISE OF THE REPURCHASE MANDATE BY DIRECTORS

The Directors will exercise the power to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of the BVI.

THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code. As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following Shareholders had an interest in 5% or more of the total number of the issued Shares:

Name of Shareholder	Nature of interests/capacity	Number of Shares	Approximate percentage of shareholding in the Company	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Reach Glory	Beneficial owner	1,281,516,117	59.38%	65.98%
Jangho HK (<i>Note 1</i>)	Interest in controlled corporation	1,281,516,117	59.38%	65.98%
Jangho Co (<i>Note 2</i>)	Interest in controlled corporation	1,281,516,117	59.38%	65.98%
Beijing Jiangheyuan (<i>Note 3</i>)	Interest in controlled corporation	1,281,516,117	59.38%	65.98%
Mr. Liu (<i>Note 4</i>)	Interest in controlled corporation	1,281,516,117	59.38%	65.98%
Ms. Fu (<i>Note 5</i>)	Interest of spouse	1,281,516,117	59.38%	65.98%
Caiyun International	Beneficial owner	353,144,337	16.36%	18.18%
Yunnan Co (<i>Note 6</i>)	Interest in controlled corporation	353,144,337	16.36%	18.18%

Notes:

1. Reach Glory was beneficially wholly-owned by Jangho HK and therefore Jangho HK was deemed to be interested in the Shares held by Reach Glory under the SFO.
2. Jangho HK was beneficially wholly-owned by Jangho Co and therefore Jangho Co was deemed to be interested in the Shares indirectly held by Jangho HK through Reach Glory under the SFO.
3. Ms. Fu, the spouse of Mr. Liu, was the sole director of Beijing Jiangheyuan. The board of directors of Jangho Co was controlled by Beijing Jiangheyuan and therefore Beijing Jiangheyuan was deemed to be interested in the Shares indirectly held by Jangho Co through Jangho HK and Reach Glory under the SFO.
4. Jangho Co was approximately 27.86% beneficially owned by Beijing Jiangheyuan (a company which was 85% and 15% beneficially owned by Mr. Liu and his spouse, Ms. Fu, respectively) and approximately 25.53% beneficially owned by Mr. Liu and therefore, Mr. Liu was deemed to be interested in the Shares indirectly held by Jangho Co through Jangho HK and Reach Glory under the SFO.
5. Ms. Fu is the spouse of Mr. Liu and was therefore deemed to be interested in the Shares indirectly held by Mr. Liu under the SFO.
6. Caiyun International was beneficially wholly-owned by Yunnan Co and therefore Yunnan Co was deemed to be interested in the Shares held by Caiyun International under the SFO.

Save as disclosed above, no other interests or short position in the Shares or underlying Shares were recorded in the register required to be kept under section 336 of the SFO as at the Latest Practicable Date.

Based on the current holding of the above Shareholders, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rule 26 and Rule 32 of the Takeovers Code.

The Listing Rules prohibit a company from making repurchase 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 issued share capital would be in public hands. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25%.

SHARE REPURCHASE MADE BY THE COMPANY

No Shares have been purchased by the Company on the Stock Exchange in the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2023		
June	0.460	0.360
July	0.460	0.375
August	0.460	0.400
September	0.445	0.395
October	0.440	0.400
November	0.420	0.395
December	0.450	0.390
2024		
January	0.465	0.415
February	0.470	0.440
March	0.490	0.300
April	0.435	0.320
May (up to the Latest Practicable Date)	0.430	0.385

NO UNUSUAL FEATURES

The Company confirmed that neither this Explanatory Statement nor the Repurchase Mandate has any unusual features.

The following are the particulars of the Directors (as required by the Listing Rules) being eligible and offering themselves for re-election at the AGM.

Mr. Ng Chi Hang (吳智恒), aged 48, is an executive Director. He is also a director of each subsidiary of the Company, excluded 東莞承達家居有限公司 (Dongguan Sundart Home Furnishing Co., Ltd.*), 廣東承達智能環保建材科技有限公司 (Guangdong Sundart Digital Decoration Materials Technology Limited*) (formerly known as “梅州承達裝飾材料製造有限公司 (Meizhou Sundart Decorative Materials Manufacturing Limited*)”), 北京承達創建裝飾工程有限公司 (Sundart Engineering & Contracting (Beijing) Limited*), 北京承達創科裝飾工程有限公司 (Sundart Chuangke Engineering & Contracting (Beijing) Limited*), 承達創建建設工程有限公司 (Sundart Engineering & Contracting Co., Ltd.*), Sundart Project Management & Consultancy Limited and 北京承達置業有限公司 (Beijing Sundart Real Estate Co., Ltd.*). He no longer holds directorship of Earning Wise Limited due to the company’s deregistration on 15 March 2024. Mr. Ng joined the Group as a quantity surveyor in Sundart Timber Products Company Limited in September 2005 and is mainly responsible for overseeing the overall operation of the Group in Macau and the Republic of Singapore. Prior to joining the Group, Mr. Ng was a quantity surveyor of Bridgewater & Coulton Limited from April 2000 to September 2002. Mr. Ng obtained a bachelor degree of science in surveying from the University of Hong Kong, Hong Kong in December 1998 and a master degree of science in construction and real estate from the Hong Kong Polytechnic University, Hong Kong in November 2004. He became a member of the Hong Kong Institute of Surveyors and professional member of the Royal Institution of Chartered Surveyors in February 2003. He has been a registered professional surveyor in the quantity surveying division of the Surveyors Registration Board of Hong Kong since April 2005.

As at the Latest Practicable Date, Mr. Ng was not interested or deemed to be interested in any Shares or underlying Shares or debentures within the meaning of Part XV of the SFO.

Mr. Ng is subject to retirement from office and re-election at the AGM and vacation of office in accordance with the Articles of Association. For the year ended 31 December 2023, Mr. Ng received director’s emolument of HK\$3,578,000, inclusive of discretionary bonus, which was determined by the Board based on the recommendations of the Remuneration Committee, with reference to his duties and responsibilities with the Company and the market rate for his position.

Mr. Ng is not connected with any existing Directors, senior management, substantial Shareholders or controlling shareholders of the Company.

Mr. Ng did not hold any directorship in other listed company in the past three years prior to the Latest Practicable Date. Save as disclosed above, there is no information relating to Mr. Ng that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there is no other matter in relation to the re-election of Mr. Ng that needs to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Xie Jianyu (謝健瑜), aged 44, is an executive Director and chief financial officer of the Company. He is also a director of each subsidiary of the Company, excluded 北京承達創建裝飾工程有限公司 (Sundart Engineering & Contracting (Beijing) Limited*), 北京承達創科裝飾工程有限公司 (Sundart Chuangke Engineering & Contracting (Beijing) Limited*), 承達創建建設工程有限公司 (Sundart Engineering & Contracting Co., Ltd.*), and 北京承達置業有限公司 (Beijing Sundart Real Estate Co., Ltd.*). He no longer holds directorship of Sundart Project Management & Consultancy Limited and Earning Wise Limited due to their respective companies’ deregistration on 21 July 2023 and 15 March 2024, respectively. He joined the Group in June 2012 and is mainly responsible for overseeing

the financing, accounting and internal control, human resource and administrative management of the Group. He is also a member of the Internal Control Committee. Prior to joining the Group, Mr. Xie was the financial manager of cost control department of ATLANTIS Holding Norway AS from March 2006 to December 2008, the chief accountant of Workz Middle East FZE from January 2009 to March 2010 and the financial director of Middle East & North Africa Group of J&H Emirates LLC from April 2010 to June 2012. Mr. Xie obtained a bachelor degree in economics from Xiamen University (廈門大學), the PRC in July 2001 and a master degree of business administration from the University of Hong Kong, Hong Kong in November 2015. Mr. Xie became a certified management accountant of the Institute of Management Accountants, the USA and a member of the Association of Chartered Certified Accountants in February 2008 and September 2014, respectively.

As at the Latest Practicable Date, Mr. Xie was not interested or deemed to be interested in any Shares or underlying Shares or debentures within the meaning of Part XV of the SFO.

Mr. Xie is subject to retirement from office and re-election at the AGM and vacation of office in accordance with the Articles of Association. For the year ended 31 December 2023, Mr. Xie received director's emolument of HK\$3,732,000, inclusive of discretionary bonus, which was determined by the Board based on the recommendations of the Remuneration Committee, with reference to his duties and responsibilities with the Company and the market rate for his position.

Mr. Xie is not connected with any existing Directors, senior management, substantial Shareholders or controlling shareholders of the Company.

Mr. Xie did not hold any directorship in other listed company in the past three years prior to the Latest Practicable Date. Save as disclosed above, there is no information relating to Mr. Xie that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there is no other matter in relation to the re-election of Mr. Xie that needs to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Li Zheng (李正), aged 66, is an independent non-executive Director. He is also a member of each of the Audit and Nomination Committees. Mr. Li has over 33 years of experience in legal practice. Mr. Li was a partner of Guangdong Run & Race Law Firm (廣東仁人律師事務所) from June 1996 to July 2010 and has been a partner of Guangdong Shentiancheng Law Firm (廣東深天成律師事務所) since August 2010. Mr. Li obtained a bachelor degree of laws from Jilin University (吉林大學), the PRC in August 1983 and was qualified as a lawyer in the PRC in June 1989. He was accredited as Outstanding Young Lawyer (優秀中青年律師) by Zhejiang Provincial Department of Justice (浙江省司法廳) and Zhejiang Law Society (浙江省律師協會) in October 1989. Mr. Li obtained the training certification of independent director in March 2011, October 2013, July 2014, October 2015, September 2017, August 2020 and December 2022, respectively. Mr. Li was appointed as an independent director of 深圳華大智造科技股份有限公司 (MGI Tech Co., Ltd.*), a company listed on the Shanghai Stock Exchange (stock code: 688114), on 23 June 2020.

As at the Latest Practicable Date, Mr. Li was not interested or deemed to be interested in any Shares or underlying Shares or debentures within the meaning of Part XV of the SFO.

Mr. Li is subject to retirement from office and re-election at the AGM and vacation of office in accordance with the Articles of Association. For the year ended 31 December 2023, Mr. Li received director's fees of HK\$360,000, which was determined by the Board based on the recommendations of the Remuneration Committee, with reference to his duties and responsibilities with the Company and the market rate for his position.

Mr. Li is not connected with any existing Directors, senior management, substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Li did not hold any directorship in other listed company in the past three years prior to the Latest Practicable Date. Save as disclosed above, there is no information relating to Mr. Li that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there is no other matter in relation to the re-election of Mr. Li that needs to be brought to the attention of the Shareholders and the Stock Exchange.

Ms. Yim Ka Man (嚴加敏), aged 44, was re-designated as a non-executive Director on 29 April 2024. She has over 16 years of experience in external audit, management accounting, operations management, internal control review, environmental, social and governance reporting and enterprise risk assessment. She has been a director and the head of Risk Advisory Services of Mazars Risk Advisory Services Limited (“**Mazars**”), an international advisory firm in Hong Kong since April 2021. Prior to joining Mazars, she worked at BDO Risk Advisory from March 2014 to May 2015 as a manager, and at Baker Tilly Hong Kong — Risk Advisory from May 2015 to April 2021, with her last position as a director. Ms. Yim is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants. Ms. Yim received a Master of Laws (International and Commercial Law) degree from the University of Greenwich, the United Kingdom in November 2020 and a Bachelor of Business (Accounting and Banking & Finance) degree from Monash University, Australia in July 2002. Ms. Yim has been an independent non-executive director of Scholar Education Group, a company listed on the Main Board of the Stock Exchange (stock code: 1769) since 19 May 2023; and an independent non-executive director of APT Satellite Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1045) since 25 September 2023.

As at the Latest Practicable Date, Ms. Yim was not interested or deemed to be interested in any Shares or underlying Shares or debentures within the meaning of Part XV of the SFO.

Ms. Yim is subject to retirement from office and re-election at the AGM and vacation of office in accordance with the Articles of Association. According to the terms of the letter of appointment, Ms. Yim will be entitled to receive a director fee as a non-executive Director of HK\$360,000 per annum. Such fee is subject to review and adjustment proposed by the Remuneration Committee annually. The remuneration of Ms. Yim was made with reference to her duties and responsibilities with the Company and the market rate for her position.

Ms. Yim is not connected with any existing Directors, senior management, substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, Ms. Yim did not hold any directorship in other listed company in the past three years prior to the Latest Practicable Date. Save as disclosed above, there is no information relating to Ms. Yim that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there is no other matter in relation to the re-election of Ms. Yim that needs to be brought to the attention of the Shareholders and the Stock Exchange.

* *The English translations of the Chinese names of companies established in the PRC are for identification purposes only.*

NOTICE OF ANNUAL GENERAL MEETING



SUNDART HOLDINGS LIMITED

承達集團有限公司

(incorporated under the laws of British Virgin Islands with limited liability)

(Stock code: 1568)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of SUNDART HOLDINGS LIMITED 承達集團有限公司 (the “Company”) will be held at 7/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 19 June 2024 at 10:00 a.m. (or any adjournment thereof) for the following purposes:

As ordinary business:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries together with the directors’ report and the independent auditor’s report for the year ended 31 December 2023.
2. (a) To re-elect, each as a separate resolution, the following persons as directors of the Company (each a “**Director**”, together with all other directors of the Company, the “**Directors**”):
 - (i) Mr. Ng Chi Hang as an executive Director;
 - (ii) Mr. Xie Jianyu as an executive Director;
 - (iii) Mr. Li Zheng as an independent non-executive Director; and
 - (iv) Ms. Yim Ka Man as a non-executive Director.
- (b) To authorise the board of Directors (the “**Board**”) to determine the remuneration of the Directors.
3. To re-appoint BDO Limited as auditor of the Company and to authorise the Board to determine its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

4. **“THAT:**

- (a) subject to sub-paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), a general mandate be and is hereby granted to the Directors during the Relevant Period (as hereinafter defined) authorising them to exercise all the powers of the Company to allot, issue and otherwise deal with any additional Shares and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power;
- (b) the mandate in sub-paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the mandate in sub-paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors, officers and/or employees of the Company and/or any of its subsidiaries or any other person of Shares or rights to acquire Shares; or (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) a specific authority granted by the shareholders of the Company (the “**Shareholders**”) in general meeting, shall not exceed 20% of the total number of Shares in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the Company is required by any applicable laws of the British Virgin Islands or its articles of association to hold its next annual general meeting; or
- (iii) the time when the mandate in sub-paragraph (a) above is varied, revoked or renewed by an ordinary resolution of the Company in a general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of the Shares, or offer or issue of warrants, options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Board to holders of Shares or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to sub-paragraph (b) below, a general mandate be and is hereby granted to the Directors during the Relevant Period (as hereinafter defined) authorising them to exercise all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of the Shares authorised to be repurchased by the Company pursuant to the approval in sub-paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the Company is required by any applicable laws of the British Virgin Islands or its articles of association to hold its next annual general meeting; or
- (iii) the time when the mandate in sub-paragraph (a) above is varied, revoked or renewed by an ordinary resolution of the Company in a general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the resolutions numbered 4 and 5 above being passed (with or without amendments), the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares pursuant to the resolution numbered 4 above be and is hereby extended by the addition to the aggregate number of Shares which may be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares repurchased by the Company pursuant to the resolution numbered 5 above, provided that such amount shall not exceed 10% of the aggregate number of Shares in issue at the date of passing of the resolution numbered 5.”

By order of the Board
SUNDART HOLDINGS LIMITED
承達集團有限公司
Ng Tak Kwan
Chief Executive Officer and Executive Director

Hong Kong, 17 May 2024

As of the date of this notice, the executive Directors are Mr. Ng Tak Kwan, Mr. Ng Chi Hang, Mr. Ding Jingyong, Mr. Guan Yihe and Mr. Xie Jianyu; the non-executive Directors are Mr. Liu Zaiwang and Ms. Yim Ka Man; and the independent non-executive Directors are Mr. Huang Pu and Mr. Li Zheng.

Notes:

- (1) A member of the Company entitled to attend and vote at the AGM is entitled to appoint another person as his/her proxy to attend and, on a poll, vote in his/her stead. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
- (2) In order 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 certified copy thereof, must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time fixed for the holding of the AGM (or any adjournment thereof).
- (3) The register of members of the Company will be closed from 14 June 2024 to 19 June 2024, both days inclusive, during which no transfer of Shares will be registered. In order to establish the entitlement of Shareholders to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 13 June 2024.
- (4) According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all proposed resolutions put to the vote at the AGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
- (5) With regard to the ordinary resolutions numbered 2 to 6 of this notice, a circular giving, *inter alia*, details of re-election of Directors, re-appointment of auditor, granting of general mandates to issue and to repurchase Shares will be dispatched to the Shareholders. The particulars of the Directors who are subject to re-election at the AGM are set out in Appendix II to the circular.
- (6) In case typhoon signal no. 8 or above is hoisted, or a black rainstorm warning signal announced by the government of Hong Kong is/are in force in Hong Kong at or at any time after 6:30 a.m. on the date of the AGM, the AGM will be adjourned. An announcement will be posted on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sundart.com) to notify Shareholders the arrangement of adjourned meeting.