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

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)

DISCLOSEABLE TRANSACTION FORMATION OF A JOINT VENTURE COMPANY FOR ACQUISITION OF INTERESTS IN THE TARGET COMPANY

FORMATION OF A JOINT VENTURE COMPANY

On 9 April 2025 before trading hours, Gloryeild, a direct wholly-owned subsidiary of the Company, Lead Rise and JV Company entered into the Shareholders' Deed in relation to the formation of a joint venture company for the Acquisition.

Pursuant to the Shareholders' Deed, Gloryeild shall inject Gloryeild Shareholder's Loan (1) as capital into the JV Company and Lead Rise shall inject capital into the JV Company by way of directing and procuring Best Cheer to enter into the Assignment of P-V Loan.

Upon its formation, pursuant to applicable HKFRS, JV Company will be accounted for as a joint venture of the Company from an accounting perspective; and the financial results of JV Company will be accounted for using the equity method.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Shareholders' Deed exceeds 5% but is less than 25%, the Shareholders' Deed constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

(1) FORMATION OF A JOINT VENTURE COMPANY

On 9 April 2025 before trading hours, Gloryeild, a direct wholly-owned subsidiary of the Company, Lead Rise and JV Company entered into the Shareholders' Deed in relation to the formation of a joint venture company for the Acquisition.

The principal terms of the Shareholders' Deed are set out as follows:

Date

9 April 2025

Parties

(1) Gloryeild, which is a direct wholly-owned subsidiary of the Company, and is principally engaged in investment holding;

(2) Lead Rise, which is directly and wholly-owned by Mr. Ko, an entrepreneur, and is principally engaged in investment holding; and

(3) JV Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Lead Rise and its ultimate beneficial owner are Independent Third Parties.

Purpose of JV Company

The sole business of JV Company, through the operation of its subsidiaries, is the wholesale, retail, distribution, production, marketing, design, importation, processing, trading, supply, fitting, repair of resin-based engineered stone and resin-based engineered stone related products business in different territories and/or such other business as the JV Board may unanimously agree from time to time.

Shareholding Structure and Shareholder's Loan

Gloryeild shall hold 50 JV Shares, representing 50% interest in the JV Company. Lead Rise shall hold 50 JV Shares, representing 50% interest in the JV Company.

Pursuant to the Shareholders' Deed, Gloryeild shall inject Gloryeild Shareholder's Loan (1) as capital into the JV Company and Lead Rise shall inject capital into the JV Company by way of directing and procuring Best Cheer to enter into the Assignment of P-V Loan.

The amount of funding commitment of JV Shareholders was determined after arm's length negotiations between JV Shareholders with reference to, amongst others, the funding requirements of JV Company.

All funding of the JV Company shall be satisfied as far as possible by non-recourse finance from banks or other financial institutions. If external funding cannot be obtained or the amount which can be obtained is insufficient, the outstanding portion of the required funding shall be satisfied by other methods as the JV Board may from time to time determine. No JV Shareholder shall at any time be under any obligation to provide any additional funding or financial support (whether by way of provision of any guarantee or security or otherwise) to the JV Company or any other JV Group Company.

Upon its formation, pursuant to applicable HKFRS, JV Company will be accounted for as a joint venture of the Company from an accounting perspective; and the financial results of JV Company will be accounted for using the equity method.

Management of JV Company

The JV Board shall consist of four JV Directors, with:

(a) two Gloryeild Directors; and

(b) two Lead Rise Directors.

Each JV Shareholder shall have the right to appoint, remove and replace the JV Director which such JV Shareholder is entitled to appoint and to remove or replace any such JV Director as appointed by it. The removal of any JV Director must first be approved by the JV Shareholder who appointed that JV Director.

The JV Board shall meet as often as required by applicable laws but in any event not less than once in every one year in accordance with and subject to the articles of association of the JV Company. At each meeting of the JV Board and in respect of each resolution proposed to the JV Board, each JV Director present at the meeting (whether by physical presence or by telephone or similar communication equipment) shall have one vote.

JV Board shall be responsible for making decisions relating to the business of JV Company.

The quorum of a meeting of the JV Board shall be at least one Gloryeild Director and one Lead Rise Director who are either present personally or represented by an alternate (whether by physical presence or by telephone or similar communication equipment).

All matters to be determined by JV Board shall be decided by simple majority, save for:

(a) making any sale of material assets of the JV Company or any JV Subsidiary or of shares in any of the JV Subsidiaries;

(b) entering into or approving major changes to any contract or commitment which is not in the ordinary course of business of the JV Group Companies;

(c) changing its auditors;

(d) making any change to the share capital (including allotting any portion of authorised share capital to a shareholder), maximum authorised number of shares or registered capital of any JV Group Company;

(e) approving the registration of any person as a shareholder of the JV Company or any of the JV Subsidiaries (whether by way of subscription or transfer or otherwise) other than as permitted by the Shareholders' Deed;

(f) approving any voluntary dissolution or winding up of any JV Group Company;

(g) amending the memorandum or articles of association (or equivalent constitutional documents) of any JV Group Company;

(h) changing the nature or scope of the business of the JV Company or any of the JV Subsidiaries;

(i) approving any mergers or demergers of the JV Company or any of the JV Subsidiaries; and

(j) making distributions other than in accordance with the Shareholders' Deed.

which require the prior unanimous approval of either:

(a) both Gloryeild and Lead Rise in writing or both Gloryeild and Lead Rise in a general meeting of the Company;

(b) all of the Gloryeild Directors and Lead Rise Directors respectively, in writing; or

(c) all of the JV Directors at a JV Board meeting who are present (in person or by their alternates) or all of the directors at a board meeting of the relevant JV Subsidiary who are present (in person or by their alternates), in each case, at which a quorum is present in accordance with the above.

Distribution Policy and Share of Distributions

The JV Shareholders and the JV Company shall procure that the board of directors of each JV Group Company shall distribute annually (or at such shorter intervals as the board of directors of such JV Group Company may from time to time decide), all profits of such JV Group Company legally available for distribution to the JV Shareholders on a *pari passu* basis according to their respective shareholding ratios in the JV Company, provided that all profits of such JV Group Company legally available for distributions to JV Shareholders shall:

(a) firstly, be applied in repaying all interests (if any) and principal outstanding under the relevant shareholder's loan in proportion to the interest (if any) and principal amounts of the shareholder's loans made by them; and

(b) secondly, after the full repayment of all principal and interest (if any) outstanding under all shareholder's loans made by the JV Shareholders to the JV Company, be paid as dividend to such JV Shareholders.

The JV Shareholders shall take all reasonable actions commercially necessary to maximise distributions.

Right of First Offer on Sale of JV Shares

Each time when any JV Shareholder wishes to sell its JV Shares, the selling JV Shareholder shall first offer all (but not some only) its JV Shares and all shareholder's loan owing by the JV Company to the selling JV Shareholder to the other JV Shareholder(s).

(2) ACQUISITION OF INTERESTS IN THE TARGET COMPANY

Immediately after the Shareholders' Deed was entered into, the JV Company (as Purchaser) entered into the Sale and Purchase Agreement with Quarella Holdings (as Vendor) in relation to the Acquisition. The consideration for the Acquisition is HK$240,000,000, as to HK$1 as consideration for the Sale Share and HK$239,999,999 as consideration for the Sale Loan. Such consideration was determined after arm's length negotiations between Quarella Holdings and the JV Company.

Target Company is a company incorporated in Hong Kong with limited liability. It is principally engaged in the distribution of construction and interior decorative materials.

The ownership of the Vendor immediately prior to the Acquisition was as follows:

(1) as to 50% by Noble Stone Investments, which is directly and wholly-owned by Joint Champ International, which in turn is directly owned as to 87% by Rykadan Capital; and

(2) as to 50% by Lead Rise, which is directly and wholly-owned by Mr. Ko.

Subsidiaries of Target Company, which are directly and wholly-owned by the Target Company, are as follows:

(1) Xiamen Quarella, a company established in the PRC with limited liability. It is principally engaged in the distribution of construction and interior decorative materials.

(2) Shenzhen Yiteli, a company established in the PRC with limited liability. It is principally engaged in the distribution of construction and interior decorative materials.

(3) Q.R.B.G., a company incorporated in Italy with limited liability. It is principally engaged in the manufacturing and trading of engineered stone composite surfaces products.

(4) Star Wonder, a company incorporated in Hong Kong with limited liability. It is an investment holding company.

Completion shall take place at or before 2:00 p.m. on the date of signing of the Sale and Purchase Agreement, or on such other date and/or such other time as Quarella Holdings and the JV Company may agree in writing before Completion.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

Being one of the leading integrated fitting-out contractors in Hong Kong, Macau, Singapore and the PRC, the Group is constantly looking for opportunities which could streamline the process of sourcing interior decorative materials, making the fitting-out works conducted by the Group more cost-effective, time-saving and efficient for its customers. As usage of engineered stone composite surfaces products as interior decorative materials is increasingly common, the Group considers that the Acquisition represents a good opportunity for it to facilitate the sourcing and production of engineered stone composite surfaces products. In addition, the Acquisition would lead to capital appreciation for the Group and enable the Group to generate more returns for the Shareholders. As such, it decided to establish JV Company with Lead Rise for the purposes of the Acquisition and making the Acquisition.

The Board considers that the terms of the Shareholders' Deed are (i) on normal commercial terms or if there are no sufficient comparable transactions to determine whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) Independent Third Parties; and (ii) on terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in BVI with limited liability, the shares of which are listed on the Stock Exchange. The Group is one of the leading integrated fitting-out contractors in Hong Kong, Macau, Singapore and the PRC, specialising in providing professional fitting-out works for commercial buildings, hotels and residential properties. The Group also engages in the provision of alteration and addition and construction works in Hong Kong, and manufacturing in the PRC of, and international sourcing and distribution of, interior decorative materials.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Shareholders' Deed exceeds 5% but is less than 25%, the Shareholders' Deed constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Acquisition"	the acquisition of the Sale Share and the Sale Loan
"Assignment of P-V Loan"	the deed of assignment entered into amongst Best Cheer as assignor, JV Company as assignee and Quarella Holdings as debtor in relation to the assignment of an amount of HK$120,000,000 owed by Quarella Holdings to Best Cheer
"Best Cheer"	Best Cheer Trading Holdings Limited (香港高時貿易有限公司), a company incorporated in Hong Kong with limited liability whose ultimate beneficial owner is Mr. Ko
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Company"	SUNDART HOLDINGS LIMITED 承達集團有限公司, a company incorporated in BVI with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1568)
"Completion"	completion of the Acquisition
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"Gloryeild"	GLORYEILD ENTERPRISES LIMITED, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company
"Gloryeild Director(s)"	JV Director(s) appointed by Gloryeild
"Gloryeild Shareholder's Loan (1)"	the shareholder's loan in the principal amount of HK$120,000,000 to be owed to Gloryeild by the JV Company after injection
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	party(ies) who is/are independent of, and not connected with, the Company or any of its connected persons
"Italy"	the Italian Republic
"Joint Champ International"	Joint Champ International Limited, a company incorporated in BVI with limited liability
"JV Board"	the board of directors of JV Company
"JV Company" or "Purchaser"	Quarella Global Limited, a company incorporated in BVI with limited liability, which is owned as to 50% by Gloryeild, holding 50 JV Shares and 50% by Lead Rise, holding 50 JV Shares, as at the date of this announcement
"JV Director(s)"	director(s) of the JV Company
"JV Group Companies"	JV Company and JV Subsidiaries, and "JV Group Company" means any one of them
"JV Share(s)"	ordinary share(s) of JV Company with a par value of US$1.00 each
"JV Shareholder(s)"	Gloryeild and Lead Rise, and "JV Shareholder" means any one of them
"JV Subsidiaries"	collectively, Target Company, Xiamen Quarella, Shenzhen Yiteli, Q.R.B.G. and Star Wonder, and "JV Subsidiary" means any one of them

"Lead Rise"	Lead Rise International Limited (朗昇國際有限公司), a company incorporated in BVI with limited liability, which is directly and wholly-owned by Mr. Ko
"Lead Rise Director(s)"	JV Director(s) appointed by Lead Rise
"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
"Mr. Ko"	Mr. Ko Chung Lun (高忠麟)
"Noble Stone Investments"	Noble Stone Investments Limited, a company incorporated in BVI with limited liability
"PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"Q.R.B.G."	Q.R.B.G. S.r.l., a company incorporated in Italy with limited liability
"Quarella Holdings" or "Vendor"	Quarella Holdings Limited, a company incorporated in BVI with limited liability, which is owned (i) as to 50% by Noble Stone Investments, which in turn is directly and wholly-owned by Joint Champ International, which in turn is directly owned as to 87% by Rykadan Capital; and (ii) as to 50% by Lead Rise, which is directly and wholly-owned by Mr. Ko
"Rykadan Capital"	Rykadan Capital Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 2288)
"Sale and Purchase Agreement"	the sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 9 April 2025
"Sale Loan"	all amounts owing by the Target Company to the Vendor as at Completion, being the amount of HK$565,502,050.50
"Sale Share"	one issued ordinary share, being the entire issued share capital of the Target Company, held by Quarella Holdings before Completion
"Share(s)"	ordinary share(s) of the Company

"Shareholder(s)"	the holder(s) of the Share(s)
"Shareholders' Deed"	the shareholders' deed in relation to JV Company entered into by JV Shareholders and JV Company on 9 April 2025
"Shenzhen Yiteli"	意特利建材(深圳)有限公司 (Yiteli Construction Materials (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability
"Singapore"	the Republic of Singapore
"Star Wonder"	Star Wonder Investments Limited (星弘投資有限公司), a company incorporated in Hong Kong with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Quarella Group Limited (可維萊集團有限公司), a company incorporated in Hong Kong with limited liability
"US$"	United States dollar, the lawful currency of the United States of America
"Xiamen Quarella"	廈門可維萊石材有限公司 (Xiamen Quarella Stone Co., Ltd.*), a company established in the PRC with limited liability
"%"	per cent.

* *The English translation of the Chinese names of the companies established in the PRC is for identification purpose only.*

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, 9 April 2025

As at the date of this announcement, 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 Director is Mr. Liu Zaiwang; and the independent non-executive Directors are Ms. Tam Yin Ming Cecilia, Mr. Huang Pu and Mr. Li Zheng.