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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)**

## **CONNECTED TRANSACTION ACQUISITION OF PROPERTY**

### **THE ACQUISITION**

The Board is pleased to announce that on 16 January 2020, the Vendor and the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Agreement pursuant to which, among others, the Vendor agreed to sell, and the Purchaser agreed to acquire the Property located in Shunyi District, Beijing, the PRC for a total cash Consideration of RMB185,400,000 (equivalent to approximately HK\$209,231,000).

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Vendor is owned as to (i) 60% by Jangho Chuanxin, which is ultimately owned as to, 89.5% by Mr. Liu, the non-executive Director and a controlling Shareholder and 10.5% by his wife; and (ii) 40% by Beijing Automobile, an Independent Third Party. Since Mr. Liu is a connected person of the Company and the Vendor is an associate of Mr. Liu, the Vendor is a connected person of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition is subject to the annual reporting and the announcement requirements, but exempt from the circular and the independent Shareholders' approval requirements under the Listing Rules.

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Major terms of the Agreement are set out below.

## THE AGREEMENT

Date : 16 January 2020

Parties : (1) the Vendor; and  
(2) the Purchaser.

Further information of the parties to the Agreement is set out in the paragraph headed “Information of the Group and the Parties involved in the Transaction” below.

Property : The Property is Block no.6 of Aidi Lixiang Centre\* which is located at the west side of Shun Xinan Road, Beijing Shunyi Automobile Production Base, Shunyi City, Beijing, the PRC\* (中國北京順義汽車生產基地順西南路西側的艾迪理想中心6號樓), being a commercial building

Further information of the Property is set out in the paragraph headed “The Property” below.

Consideration : RMB185,400,000 (equivalent to approximately HK\$209,231,000), excluding tax, which is payable in cash in the following manner:

- (1) 30% to be paid within 10 days after the date of the Agreement (the “**First Installment**”); and
- (2) the remaining 70% to be paid within 60 days after the date of the Agreement (the “**Second Installment**”), on the condition that the Vendor has delivered the Property to the Purchaser within 10 days after the Purchaser’s payment of the First Installment in accordance with the terms and conditions of the Agreement. If the Vendor fails to deliver the Property on or before such stipulated date, the date for the Purchaser to pay the Second Installment shall be postponed according to the number of days for which the delivery of the Property delays.

The Company will use the internal resources of the Group to settle the Consideration.

Based on the valuation performed by an independent property valuer in the PRC, the Property was valued at RMB218,543,600 as at 23 December 2019. The Consideration was determined after arm’s length negotiation between the parties to the Agreement with reference to, among others, the aforesaid valuation.

## **THE PROPERTY**

The Property is Block no.6 of Aidi Lixiang Centre\*, which is located at the west side of Shun Xinan Road, Beijing Shunyi Automobile Production Base, Shunyi City, Beijing, the PRC\* (中國北京順義汽車生產基地順西南路西側的艾迪理想中心6號樓), being a commercial building. The Property has 12 floors with a total construction area of approximately 11,374 sq. m. It is sold to the Purchaser unfurnished.

The Property was constructed by the Vendor and the book value of the Property was RMB113,572,800 as at 23 December 2019.

The Group intends to use the Property as its office in Beijing, the PRC.

## **INFORMATION OF THE GROUP AND THE PARTIES INVOLVED IN THE TRANSACTION**

The Group is one of the leading integrated fitting-out contractors in Hong Kong, Macau and the PRC. It is principally engaged in the provision of fitting-out works for residential property and hotel projects. In addition, the Group generates revenue from (i) alteration and addition and construction works in Hong Kong; and (ii) manufacturing, sourcing and distribution of interior decorative materials.

The Purchaser is a company established under the laws of the PRC with limited liability. The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in providing fitting-out services.

The Vendor is a company established under the laws of the PRC with limited liability and is principally engaged in property development. As at the date of this announcement, the Vendor is owned as to (i) 60% by Jangho Chuanxin, which is ultimately owned as to, 89.5% by Mr. Liu, the non-executive Director and a controlling shareholder of the Company and 10.5% by his wife; and (ii) 40% by Beijing Automobile, which is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

It is the development strategy of the Group to expand the market of its fitting-out services in the PRC while maintaining its market share in Hong Kong and Macau. The Directors expect that the accelerated investments in infrastructure and increased consumption in the PRC will continue to foster the growth of the PRC fitting-out market. Beijing, the PRC, has been one of the Group's main development targets.

The Property is part of the development project named Aidi Lixiang Centre\* (艾迪理想中心). It is located at the Beijing Shunyi Airport Economic Core Zone\* (北京臨空經濟核心區), enjoying a strategic location conveniently accessible by air and road. The pre-sale permit in respect of Aidi Lixiang Centre was granted by the Beijing Municipal Commission of Housing and Urban-Rural Development in August 2018.

The Acquisition can enable the Group to centralise its daily administration, research and development, marketing and staff training in the PRC and thus saves costs, improves efficiency and competitiveness and boosts staff morale. It will also provide venues for exhibition of the Group's brands and technology to the public. The Directors believe that the Acquisition will accelerate the development of the Group in the PRC market, which is in line with the Group's development strategy.

The Board (including the independent non-executive Directors) considers that the terms of the Agreement are fair and reasonable and the Acquisition contemplated thereunder is on normal commercial terms or better and is in the interests of the Company and its Shareholders as a whole. Since Mr. Liu, the non-executive Director, together with his wife, ultimately hold a controlling interest in the Vendor, Mr. Liu has abstained from voting on the Board resolutions approving the Acquisition. Save for Mr. Liu, no other Directors has a material interest in the Acquisition and was required to abstain from voting on the relevant Board resolutions.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Vendor is owned as to (i) 60% by Jangho Chuanxin, which is ultimately owned as to, 89.5% by Mr. Liu, the non-executive Director and a controlling Shareholder and 10.5% by his wife; and (ii) 40% by Beijing Automobile, an Independent Third Party. Since Mr. Liu is a connected person of the Company and the Vendor is an associate of Mr. Liu, the Vendor is a connected person of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition is subject to the annual reporting and the announcement requirements, but exempt from the circular and the independent Shareholders' approval requirements under 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 Property by the Purchaser from the Vendor
“Agreement”	the sale and purchase agreement dated 16 January 2020 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Automobile”	Beijing Automobile City Investment Management Co., Ltd.* (北京汽車城投資管理有限公司), an Independent Third Party

“Beijing Jiangheyuan”	Beijing Jiangheyuan Holding Co., Ltd.* (北京江河源控股有限公司) (“ <b>Beijing Jiangheyuan</b> ”), a company established under the laws of the PRC with limited liability and is owned as to 85% by Mr. Liu and 15% by Ms. Fu Haixia (富海霞), his wife as at the date of this announcement
“Board”	the board of Directors
“Company”	SUNDART HOLDINGS LIMITED (承達集團有限公司), a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1568)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition as described under the paragraph headed “The Agreement” above
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Jangho Chuanxin”	Jangho Chuanxin Property Limited* (江河創新地產股份有限公司), which is owned as to 30% by Mr. Liu and 70% by Beijing Jiangheyuan. Beijing Jiangheyuan is owned as to 85% by Mr. Liu and 15% by Ms. Fu Haixia (富海霞), his wife. It follows that Jangho Chuanxin is ultimately owned as to 89.5% by Mr. Liu and 10.5% by his wife as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Liu”	Mr. Liu Zaiwang (劉載望), the non-executive Director and a controlling Shareholder

“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Property”	the property as described under the paragraph headed “The Property” above
“Purchaser”	Beijing Sundart Real Estate Co., Ltd.* (北京承達置業有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)
“Vendor”	Beijing Huayu Real Estate Co., Ltd.* (北京花宇置業有限公司), a company established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of Jangho Chuanxin as at the date of this announcement
“%”	per cent.

*For the purpose of illustration only, the amount denominated in RMB has been translated into HK\$ at the exchange rate of RMB0.8861 to HK\$1.*

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, 16 January 2020

\* For identification purpose only

*As of the date of this announcement, the executive Directors are Mr. NG Tak Kwan, Mr. LEUNG Kai Ming, Mr. XIE Jianyu, and Mr. NG Chi Hang; the non-executive Director is Mr. LIU Zaiwang; and the independent non-executive Directors are Mr. TAM Anthony Chun Hung, Mr. HUANG Pu and Mr. LI Zheng.*