

---

## HISTORY, REORGANISATION AND GROUP STRUCTURE

---

### HISTORY AND DEVELOPMENT

We commenced our business in 1986 in Hong Kong, at which time we operated our business as a contractor of fire-proofing materials and dry walls through Sundart Engineering, of which Mr. Leung and Mr. Ng were two of the founders. Our fitting-out business started in 1988 when Sundart Engineering, our past subsidiary, was involved as a subcontractor in Jing Guang Centre in the PRC in works relating to structural spray fire-protection (鋼結構耐火噴塗) and fitting-out works in respect of Jing Guang Centre in the PRC. Then we have operated our fitting-out business in Hong Kong since 1996. In 1992, we further expanded our business to manufacturing of timber products by establishing DSTP as a wholly-owned subsidiary of Sundart Engineering.

In 1995, Sundart Timber was incorporated to acquire the entire interest in DSTP from Sundart Engineering. Since then, certain corporate reorganisation took place within each of Sundart Timber and Sundart Engineering, and investors were invited to join us to provide financial resources to sustain our development. In 1999, Sundart Timber started to engage in fitting-out works in Hong Kong. In 2002, DSTP was reorganised to become wholly-owned by Sundart Living, which in turn was then a wholly-owned subsidiary of Sundart Timber.

In 2001, Octopus Network Limited (“**Octopus**”), a company incorporated in the BVI with limited liability (and was struck off from the Register of International Business Companies in the BVI on 1 May 2009) and an Independent Third Party, through Sundart Holdings (which was then wholly-owned by Octopus), acquired 60% shareholding interest in Sundart Timber then held by an Independent Third Party (which at that time held 65% interest in Sundart Timber), at a cash consideration of HK\$34,800,000. Such consideration was determined after arm’s length negotiation between the relevant parties with reference to the net asset value of Sundart Timber and its then subsidiaries as shown in its then latest available unaudited consolidated accounts. As a result, Octopus joined our Group and Mr. Anthony Ng was appointed to the board of directors of Sundart Timber as a representative of Octopus until Octopus left our Group by disposing of its 68% interest in Sundart Holdings to Golden Tiger in March 2008 as described below. During his term, Mr. Anthony Ng mainly acted as a passive investor and he was not actively involved in the day-to-day management. The share capital of Octopus was held by Mr. Anthony Ng and his sister, Ms. Cindy Ng, in equal shares when Octopus joined our Group in 2001 until 2004 when they transferred their entire interests in Octopus to Kwong Tai Holdings Limited, a company incorporated in the BVI and, based on our Directors’ understanding, with ultimate shareholders being Mr. Anthony Ng and/or his family members. Octopus was independent of and not connected with Mr. Leung. Mr. Anthony Ng is an ex-executive director of Kowloon Development Company Limited and a non-executive director of RoadShow Holdings Limited, the shares of both companies are listed on the Main Board of the Stock Exchange.

Shortly after the acquisition of interest in Sundart Timber by Octopus as described in the preceding paragraph, Mr. Leung acquired from the same vendor its remaining 5% shareholding interest in Sundart Timber at a cash consideration of HK\$3,190,000, determined after arm’s length negotiation between the relevant parties on similar basis as the acquisition of 60% shareholding interest in Sundart Timber by Sundart Holdings as described in the preceding paragraph.

---

## HISTORY, REORGANISATION AND GROUP STRUCTURE

---

Following the acquisitions of shares in Sundart Timber described above, Sundart Timber became owned by Sundart Holdings as to 60%, Mr. Leung as to 38% and Mr. Ng as to 2%.

In 2002 and 2003, further allotments of shares were made by Sundart Holdings to each of Mr. Wong and Octopus, resulting in Mr. Wong holding 8.3% and Octopus holding 91.7% interest in Sundart Holdings respectively. Mr. Wong paid a total consideration of US\$371,799 and Octopus paid a total consideration of US\$4,089,739 for their respective interest of 8.3% and 91.7% in Sundart Holdings and the aggregate consideration paid by Mr. Wong and Octopus is equivalent to the consideration for the aforesaid acquisition of 60% shareholding interest in Sundart Timber by Sundart Holdings in 2001.

For the purpose of rationalising our Group's structure, in August 2003, (i) Mr. Leung and Mr. Ng transferred their entire shareholding interests (being 38% and 2% respectively) in Sundart Timber to Sundart Holdings in exchange for 38% and 2% interest in Sundart Holdings, such that the effective control of each of Mr. Leung and Mr. Ng in Sundart Timber (represented by their respective shareholding) remained unchanged; and (ii) Mr. Leung transferred 18% interest in Sundart Holdings to Mr. Ng at a consideration of US\$1,676,977, which was determined after arm's length negotiation between Mr. Leung and Mr. Ng with reference to the net asset value of Sundart Holdings and its then subsidiaries as shown in its then latest available unaudited consolidated accounts. As a result of such share exchanges and share transfer, Sundart Holdings became the holding company of Sundart Timber holding 100% of its issued share capital and Sundart Holdings became owned as to 55% by Octopus, 20% by Mr. Leung, 20% by Mr. Ng and 5% by Mr. Wong. Further in October 2003, Sundart Living (which was then wholly-owned by Sundart Timber) was reorganised to become wholly-owned by Sundart Holdings.

In order to enhance the management efficiency of our Group and simplify our corporate structure, DSTP was segregated from our Group in 2005 when Sundart Holdings disposed of its entire interest in Sundart Living (the holding company of DSTP) to Mr. Anthony Ng, Mr. Leung, Mr. Ng and Mr. Wong at an aggregate consideration of HK\$100,000 which was determined after arm's length negotiation among the relevant parties having considered that Sundart Living and its then subsidiaries, including among others, DSTP, were then in a net liability position. As a result, Sundart Living became owned (and thus DSTP became indirectly owned) by Mr. Anthony Ng as to 55%, Mr. Leung as to 20%, Mr. Ng as to 20% and Mr. Wong as to 5%. In 2006, Mr. Anthony Ng disposed of his 55% interest in Sundart Living to Octopus at a consideration of HK\$55, being the total nominal value of the shares being purchased and sold.

Sundart Timber remained indirectly owned by Mr. Leung, Mr. Wong, Mr. Ng and Octopus until July 2006 when Mr. Leung departed from Sundart Holdings as a result of a share exchange whereby Mr. Leung disposed of his entire interest in Sundart Holdings to Octopus, Mr. Ng and Mr. Wong in exchange for (i) the transfer of 55% and 20% interest in Sundart Living (which in turn held, among others, the entire equity interest in DSTP) by Octopus and Mr. Ng respectively to his wholly-owned subsidiary, SPG; and (ii) the transfer of 5% interest in Sundart Living by Mr. Wong to him. As a result, DSTP became a company wholly-owned by Mr. Leung directly and indirectly while Sundart Holdings was owned as to 68% by Octopus, 25% by Mr. Ng and 7% by Mr. Wong. The aforesaid disposal of Mr.

---

## HISTORY, REORGANISATION AND GROUP STRUCTURE

---

Leung's interests in Sundart Holdings in exchange for the interests in Sundart Living was due to the fact that the then other shareholders of Sundart Holdings intended to focus on the fitting-out business of our Group and not to continue to be involved in the timber products manufacturing business and as such, it ended up in the agreement between the then shareholders of Sundart Holdings and Mr. Leung that the timber products manufacturing business be taken up and run by Mr. Leung.

In order to streamline our business and simplify our corporate structure, during the Track Record Period, several past subsidiaries within our Group, namely, SIL, Sundart Engineering, Taishan Sundart, Win Venture, Sundart Creation and LPI were disposed of by us whereas Sundart Build Idea was deregistered during the Track Record Period.

In July 2006, (i) the entire issued share capital of Win Venture, which then held a 51% interest in LPI, was disposed of by Sundart Creation (a wholly-owned subsidiary of Sundart Holdings at that time) to SPG at a consideration of HK\$2.00 which was determined after arm's length negotiation between the relevant parties based on the nominal value of the shares being sold and purchased having considered that Win Venture and LPI were then in a net liability position; and (ii) the entire issued share capital of SIL was disposed of by Sundart Investments to SPG at a consideration of HK\$2.00 which was determined after arm's length negotiation between the relevant parties based on the nominal value of the shares being sold and purchased due to the fact that SIL was then in a net liability position.

In January 2007, the entire issued share capital of Sundart Creation, which then held all the issued shares in Taishan Sundart, was disposed of by Sundart Holdings to an Independent Third Party at a consideration of HK\$1,000 which was determined after arm's length negotiation between the relevant parties based on the nominal value of the shares being sold and purchased having considered that Sundart Creation was then in a net liability position.

Further in March 2008, the entire issued share capital of Sundart Engineering was disposed of by Sundart Timber to Mr. Leung Chung Lim, who is the son of Mr. Leung, at a consideration of HK\$2.00 which was determined after arm's length negotiation between the relevant parties having considered that Sundart Engineering was in a net liability position at the relevant time.

Please refer to the section headed "Financial information" and the accountants' report in Appendix I to this prospectus for further details about the disposals and/or deregistration of the above past subsidiaries. Our Directors are of the view that the terms of the above disposals are fair and reasonable and in the best interest of our Company and its Shareholders as a whole.

As a result of our Group being engaged as a fitting-out contractor for the renovation of Waldo Hotel (in which Mr. Chan's father has interest) in September 2007, Mr. Chan came to know our Group and was impressed by our Group's quality of work, management competency and business prospects such that Mr. Chan through Mr. Wong and Mr. Ng commenced negotiation with Mr. Anthony Ng (the representative of Octopus, which is independent of and not connected with Golden Tiger) for the acquisition of Octopus' 68% shareholding in Sundart Holdings together with Mr. Li and Ms. Li through Golden Tiger on

---

## HISTORY, REORGANISATION AND GROUP STRUCTURE

---

an arm's length basis. As a result, in March 2008, Golden Tiger acquired 68% interest in Sundart Holdings from Octopus at a consideration of HK\$197,200,000. Such consideration was determined after arm's length negotiation between the parties based on the then expected net asset value of Sundart Holdings and its then subsidiaries as at 31 March 2009 of HK\$290,000,000. As a result, Golden Tiger became the single largest shareholder of Sundart Holdings and Mr. Chan was appointed as the chairman of our Group.

In April 2009, Mr. Leung acquired 520 shares of US\$1.00 each in the share capital of Sundart Holdings, representing approximately 10.2% interest in Sundart Holdings, from Golden Tiger at a consideration of HK\$26,874,710, which was determined based on and represented 10.2% of the net asset value of Sundart Holdings as at 31 March 2009 as shown in its audited balance sheet. In July 2009, Mr. Leung further agreed with Golden Tiger that if he ceases to hold any directorship in the Group under certain circumstances such as his resignation or breach of his obligations at any time before 1 April 2010, or between 1 April 2010 to 31 March 2011, or between 1 April 2011 to 31 March 2012, he will compensate Golden Tiger for HK\$33 million, HK\$22 million and HK\$11 million respectively. As a result of such acquisition, Mr. Leung re-joined us as a director and a shareholder of Sundart Holdings and took the lead to develop our business of sourcing and distribution of interior decorative materials as well as to expand our interior fitting-out business to the Middle East.

Following Golden Tiger's acquisition of interest in Sundart Holdings in March 2008 and its transfer of interest in Sundart Holdings to Mr. Leung in April 2009, Sundart Holdings became owned by Golden Tiger, Mr. Ng, Mr. Leung and Mr. Wong as to approximately 57.8%, 25%, 10.2% and 7% respectively.

### **Expanding Business to Macau**

With the rapid developments in the tourism and the casino and hotel industries in Macau in recent years, we stepped in the Macau market in 2005 when Sundart (Macau) was established to carry out our interior fitting-out business in Macau. Please refer to the section headed "Business – Fitting-out works – Projects taken and undertaking" in this prospectus for details of major fitting-out works undertaken by us in Macau during the Track Record Period and projects currently undertaking by us in Macau.

### **Expanding Business to the PRC**

Our fitting-out business in the PRC was started in 1988. With a view to further expanding our fitting-out business in the PRC, we established Sundart (Beijing) in 2003 which is a fitting-out contractor having been granted the Construction Enterprise Qualification Certificate (Grade I in the specialised contract for architectural decoration projects) (建築業企業資質證書) (建築裝修裝飾工程專業承包壹級). Please refer to the section headed "Business – Fitting-out works – Projects taken and undertaking" in this prospectus for details of major fitting-out works undertaken by us in the PRC during the Track Record Period and projects currently undertaking by us in the PRC. In addition, branch companies of Sundart (Beijing) was set up in Shanghai in 2005 and in Dongcheng, Beijing in 2009, respectively, for the purpose of capturing local business opportunities.

---

## HISTORY, REORGANISATION AND GROUP STRUCTURE

---

### Expanding Business to the Middle East

In order to further develop our business in other countries outside Hong Kong, Macau and China, Sundart Interior was established by us in May 2009 as a jointly-controlled entity for the purpose of developing fitting-out business in the Middle East. The JV Partners, all of whom are long-term business partners of Mr. Leung, were invited as we believe that they are capable of providing labour sources, market knowledge and business opportunities to Sundart Interior.

### REORGANISATION

In preparation for the Listing, we have carried out the Reorganisation which involved the following steps:

- (a) On 11 November 2008, Sundart Products was incorporated in the BVI and 1 share of US\$1.00 in its share capital was issued and allotted to Sundart Holdings for cash at par.
- (b) On 1 December 2008, Sundart Investments transferred the entire issue share capital of Sundart International to Sundart Products at a consideration of HK\$10,000.
- (c) On 1 December 2008, Sundart Investments transferred the entire issued share capital of Sundart (Middle East) to Sundart Development at a consideration of HK\$1.00. On 2 January 2009, Sundart (Middle East) issued and allotted, for cash at par, 1,400 shares of HK\$1.00 each to each of Messrs. Jubin Kodinjyil Thomas and Anastasia Chistyakova and 4,200 shares of HK\$1.00 each to Sundart Development. On 16 March 2009, each of Messrs. Jubin Kodinjyil Thomas and Anastasia Chistyakova transferred 1,400 shares of HK\$1.00 each in Sundart (Middle East) to Sundart Development at a cash consideration of HK\$1,400, such consideration was determined after arm's length negotiation between the relevant parties based on the nominal value of the shares being sold and purchased having considered that Sundart (Middle East) has not commenced operation yet.
- (d) On 1 April 2009, Golden Tiger transferred 520 shares of US\$1.00 each in the share capital of Sundart Holdings, representing approximately 10.2% interest in Sundart Holdings to Mr. Leung at a consideration of HK\$26,874,710, which was determined based on and represented by approximately 10.2% of the net asset value per share of Sundart Holdings as at 31 March 2009 as shown in its audited balance sheet, such consideration was determined after arm's length negotiation between the relevant parties with reference to the net asset value of Sundart Holdings as at 31 March 2009.
- (e) Our Company was incorporated in the Cayman Islands on 27 April 2009. On the same day, 10,000 Shares were issued and allotted for cash at par as to 5,780 to Golden Tiger, 2,500 Shares to Mr. Ng, 1,020 Shares to Mr. Leung and 700 Shares to Mr. Wong (including 1 Share transferred from the subscriber).

---

## HISTORY, REORGANISATION AND GROUP STRUCTURE

---

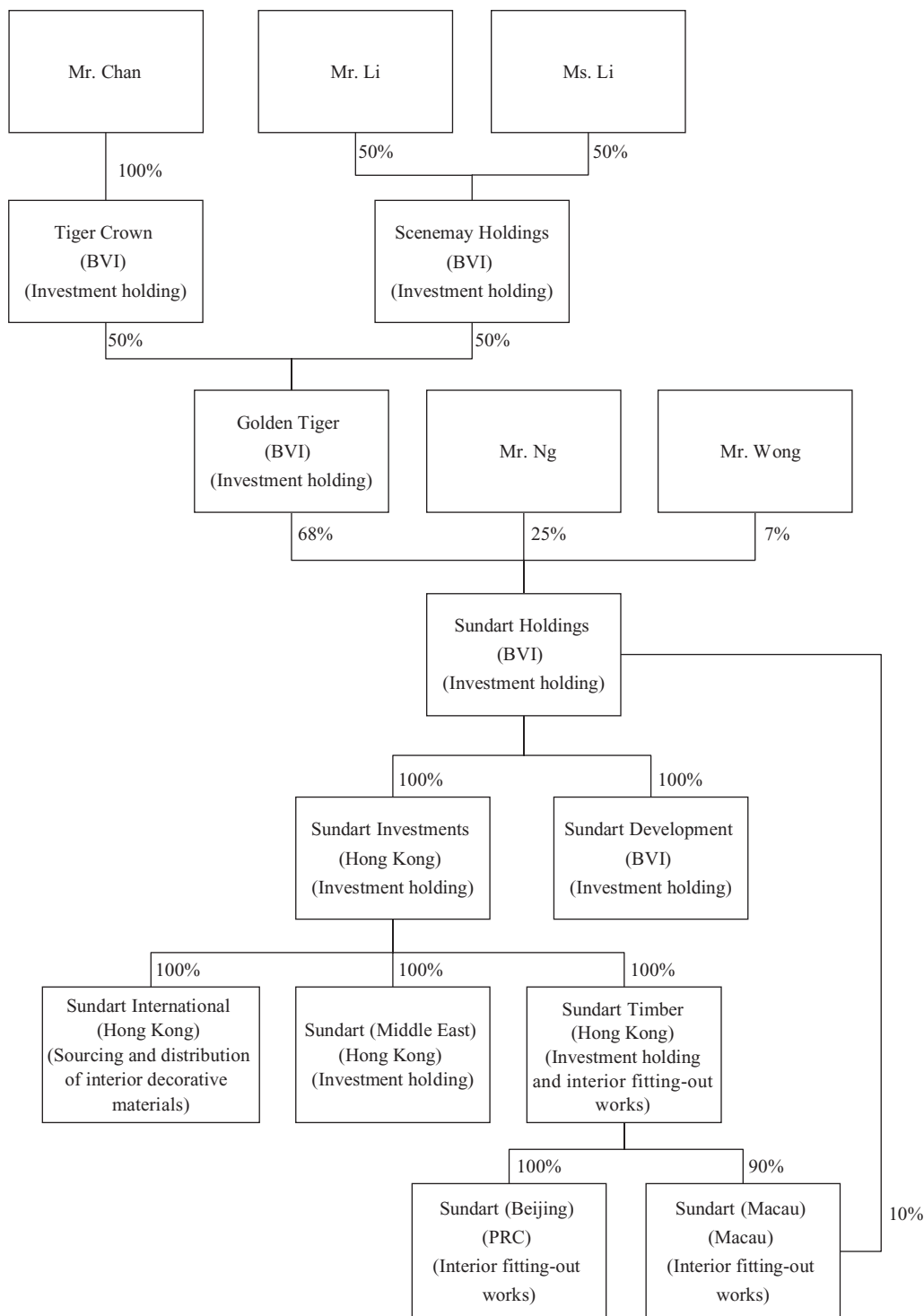
- (f) On 17 May 2009, Sundart Interior was incorporated in Qatar. 4,700, 5,100, 100 and 100 shares of QAR1,000 each of Sundart Interior were subscribed by and allotted to Sundart (Middle East), Messrs. Abdullatteef Mohammed A Al-Kuwari, Jubin Kodinjil Thomas and Anastasia Chistyakova respectively on 17 May 2009.
- (g) On 31 July 2009, Golden Tiger transferred all its 2,948 shares of US\$1.00 each in the share capital of Sundart Holdings to each of Tiger Crown and Scenemay Holdings in equal shares at a total cash consideration of HK\$152,290,026, which was determined after arm's length negotiation between the relevant parties with reference to the audited net asset value of Sundart Holdings as at 31 March 2009.
- (h) On 31 July 2009, Golden Tiger transferred all its 5,780 Shares to each of Tiger Crown and Scenemay Holdings in equal shares at a total cash consideration of HK\$57.80, being the total nominal value of the Shares purchased and sold.
- (i) On 3 August 2009, our Company issued and allotted 20,227,110 Shares, 20,227,110 Shares, 17,497,500 Shares, 7,138,980 Shares and 4,899,300 Shares, all credited as fully paid, to Tiger Crown, Scenemay Holdings, Mr. Ng, Mr. Leung and Mr. Wong respectively in consideration of Tiger Crown, Scenemay Holdings, Mr. Ng, Mr. Leung and Mr. Wong transferring 1,474 shares, 1,474 shares, 1,275 shares, 520 shares and 357 shares of US\$1.00 each in the share capital of Sundart Holdings to our Company pursuant to a deed for sale and purchase dated 3 August 2009 entered into between Tiger Crown, Scenemay Holdings, Mr. Ng, Mr. Leung and Mr. Wong as vendors and warrantors, Mr. Chan as warrantor and our Company as purchaser.

Particulars of the Reorganisation are set out in the section headed "Further information about our Company – Corporate reorganisation" in Appendix VI to this prospectus.

# HISTORY, REORGANISATION AND GROUP STRUCTURE

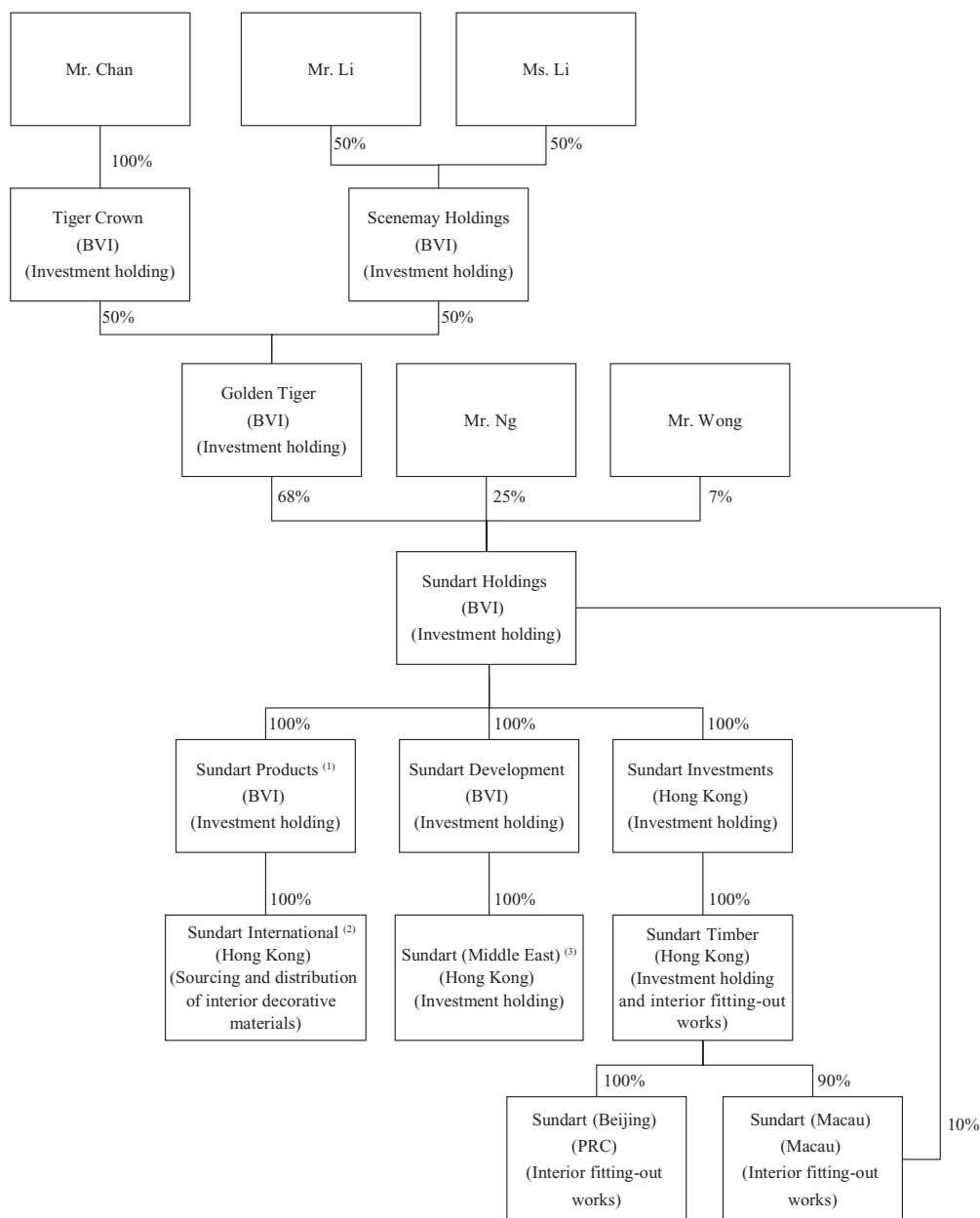
## GROUP STRUCTURE

The following chart sets out our structure immediately before the commencement of the Reorganisation:



## HISTORY, REORGANISATION AND GROUP STRUCTURE

The following chart sets out our structure as at 31 March 2009, being the last day of the Track Record Period:



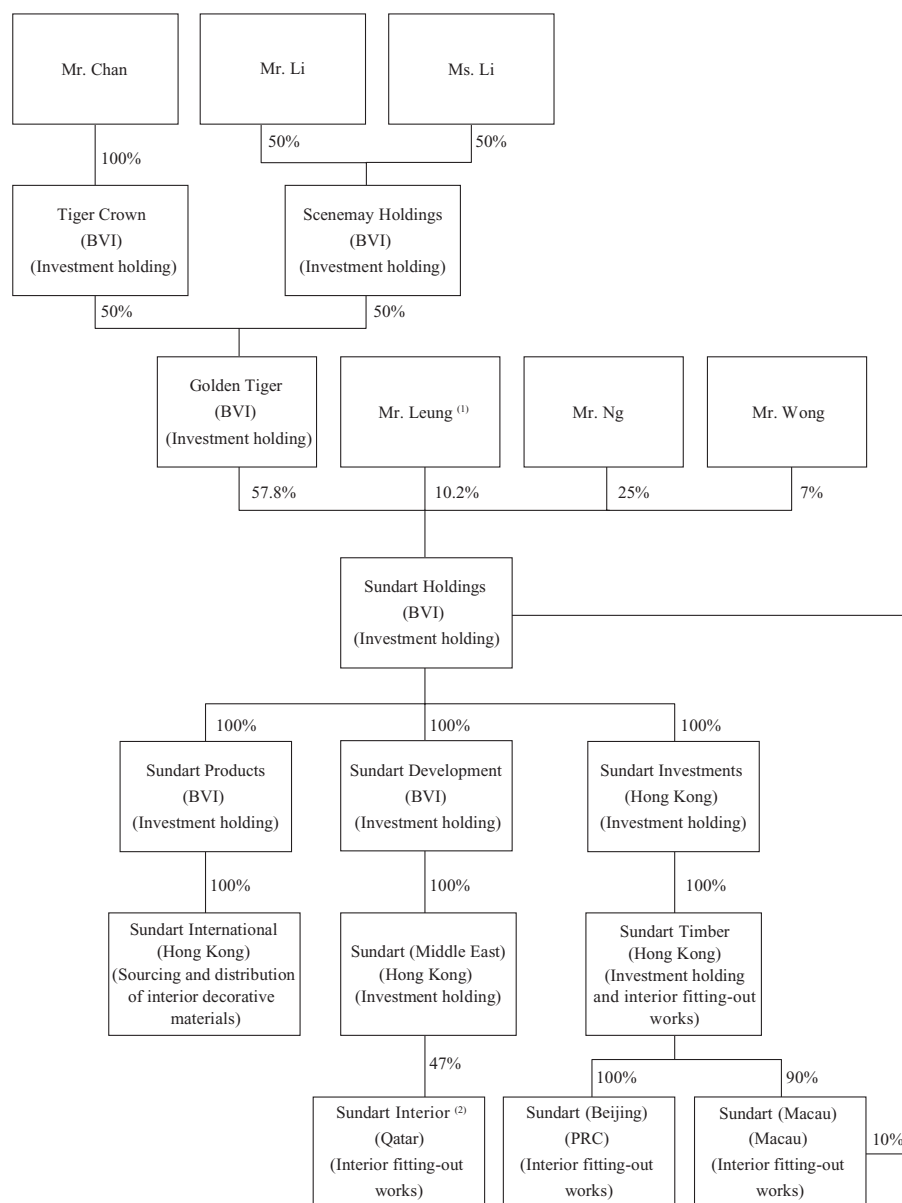
*Notes:*

1. On 11 November 2008, Sundart Products was incorporated in the BVI and 1 share in its share capital was issued and allotted to Sundart Holdings.
2. On 1 December 2008, Sundart Investments transferred the entire issued share capital of Sundart International to Sundart Products.
3. On 1 December 2008, Sundart Investments transferred the entire issued share capital of Sundart (Middle East) to Sundart Development. On 2 January 2009, Sundart (Middle East) issued and allotted, for cash at par, 1,400 shares to each of Messrs. Jubin Kodinjyil Thomas and Anastasia Chistyakova and 4,200 shares to Sundart Development. On 25 March 2009, each of Messrs. Jubin Kodinjyil Thomas and Anastasia Chistyakova transferred 1,400 shares in Sundart (Middle East) to Sundart Development so that Sundart Development became the sole owner of Sundart (Middle East).



## HISTORY, REORGANISATION AND GROUP STRUCTURE

The following chart sets out our structure after completion of the transfer of approximately 10.2% interest in Sundart Holdings to Mr. Leung and the incorporation of Sundart Interior:

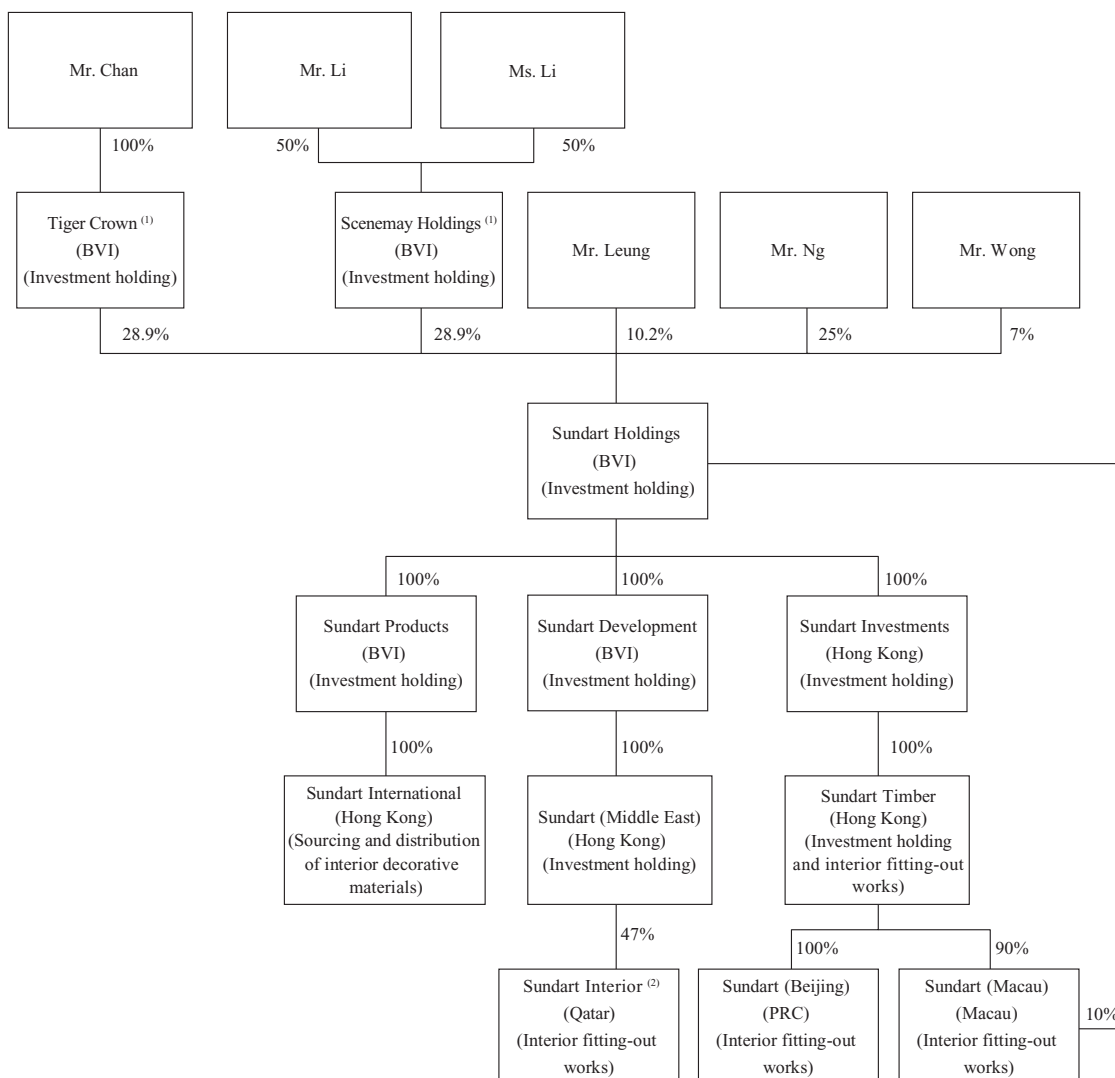


*Notes:*

1. Pursuant to a sale and purchase agreement dated 14 March 2009, Mr. Leung acquired from Golden Tiger approximately 10.2% interest in Sundart Holdings on 1 April 2009.
2. Sundart Interior was incorporated in Qatar on 17 May 2009. The registered owners of Sundart Interior are Sundart (Middle East) (47%) and the JV Partners (together 53%). Pursuant to the SI-JV Agreement and the articles of association of Sundart Interior, Sundart (Middle East) is entitled to share 51% of the net profits of Sundart Interior.

## HISTORY, REORGANISATION AND GROUP STRUCTURE

The following chart sets out our structure immediately prior to completion of the final step of the Reorganisation:

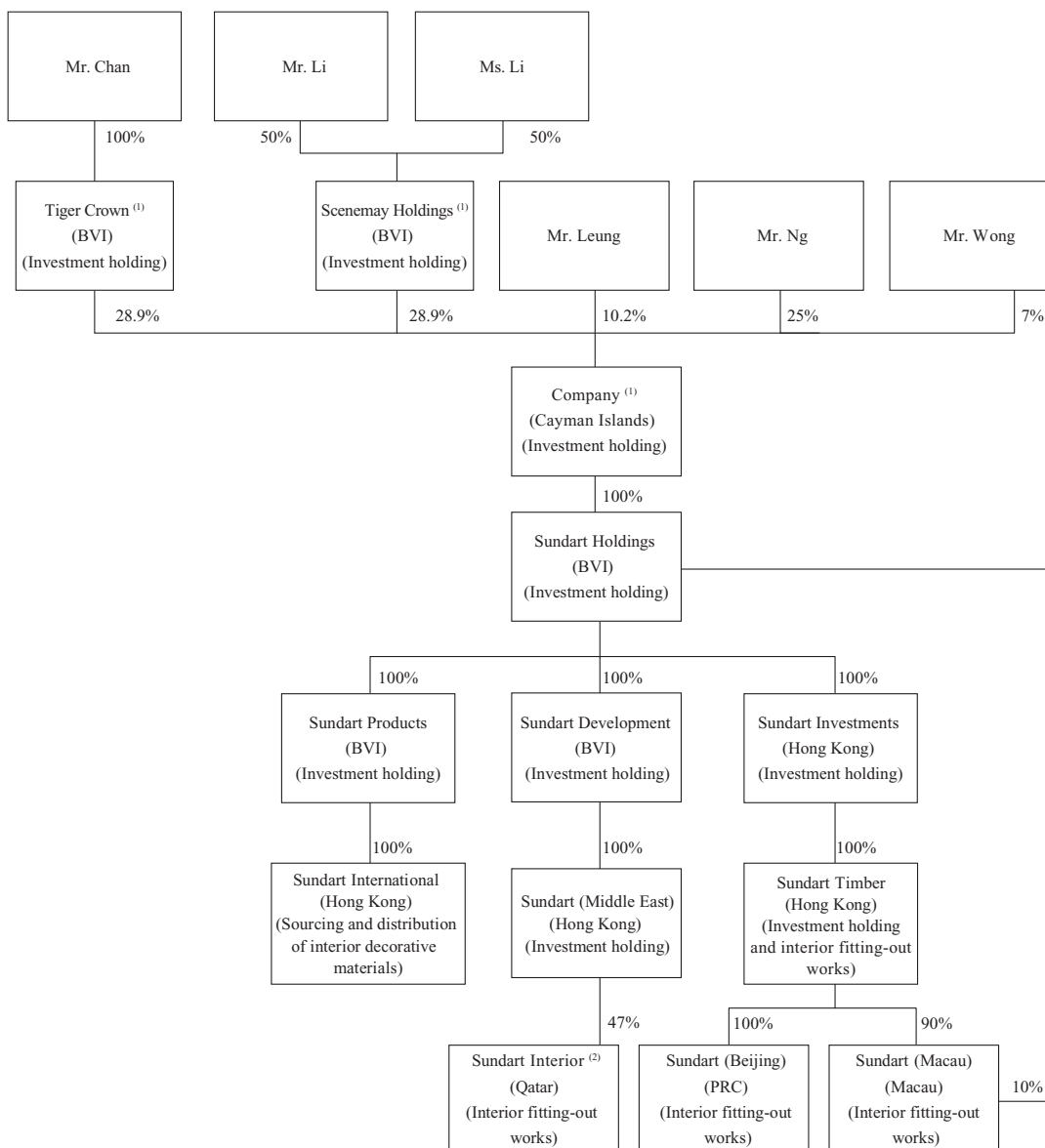


*Notes:*

1. Golden Tiger transferred its entire interest in Sundart Holdings to each of Tiger Crown and Scenemay Holdings in equal shares on 31 July 2009.
2. Sundart Interior was incorporated in Qatar on 17 May 2009. The registered owners of Sundart Interior are Sundart (Middle East) (47%) and the JV Partners (together 53%). Pursuant to the SI-JV Agreement and the articles of association of Sundart Interior, Sundart (Middle East) is entitled to share 51% of the net profits of Sundart Interior.

## HISTORY, REORGANISATION AND GROUP STRUCTURE

The following chart sets out our structure after the Reorganisation but immediately before the Global Offering:

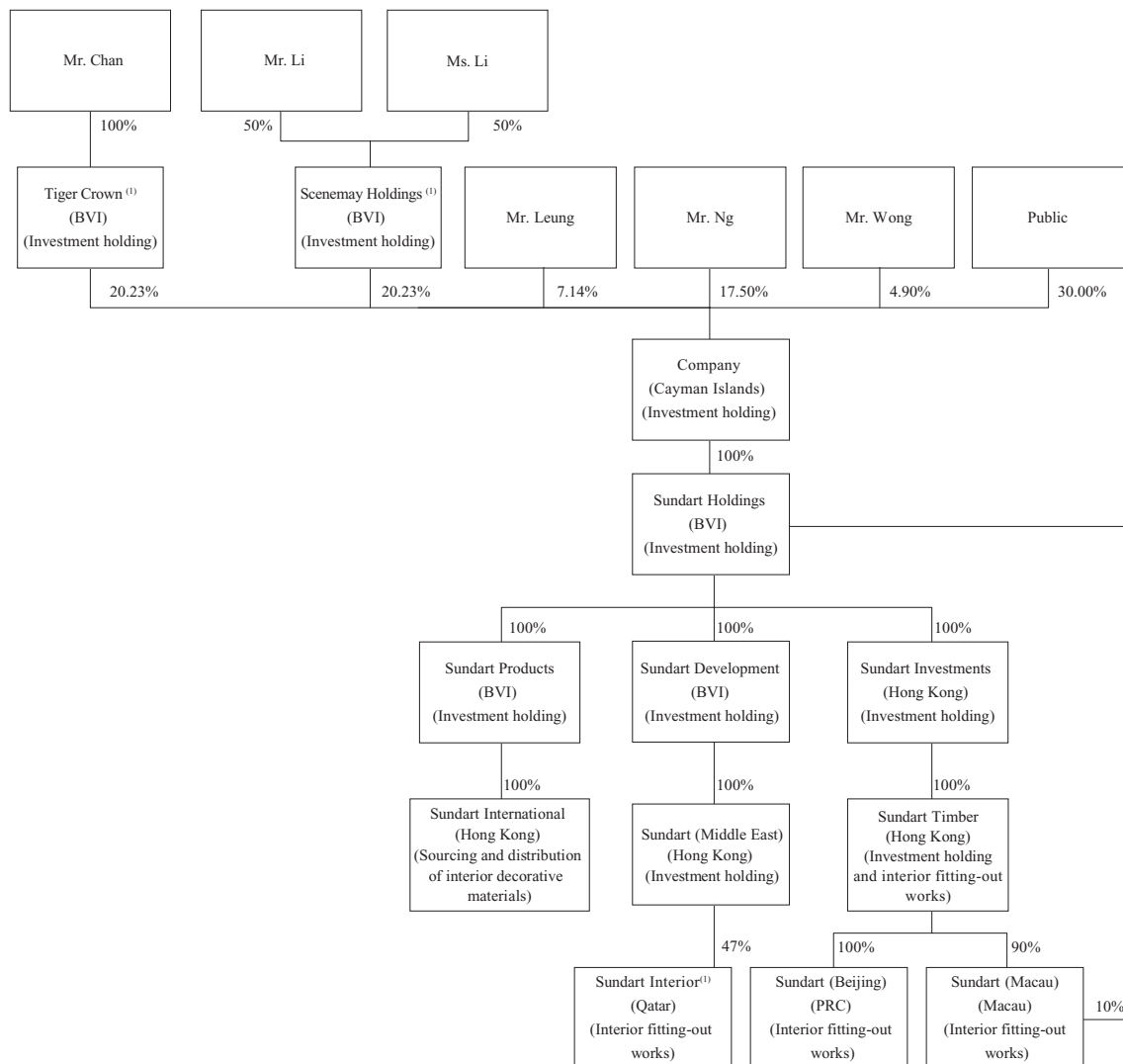


*Notes:*

1. Pursuant to a deed for sale and purchase dated 3 August 2009, our Company acquired the entire interest in Sundart Holdings.
2. Sundart Interior was incorporated in Qatar on 17 May 2009. The registered owners of Sundart Interior are Sundart (Middle East) (47%) and the JV Partners (together 53%). Pursuant to the SI-JV Agreement and the articles of association of Sundart Interior, Sundart (Middle East) is entitled to share 51% of the net profits of Sundart Interior.

## HISTORY, REORGANISATION AND GROUP STRUCTURE

The following chart sets out our structure upon the Capitalisation Issue and the Global Offering (assuming that the Over-allotment Option is not exercised):



*Note:*

1. Sundart Interior was incorporated in Qatar on 17 May 2009. The registered owners of Sundart Interior are Sundart (Middle East) (47%) and the JV Partners (together 53%). Pursuant to the SI-JV Agreement and the articles of association of Sundart Interior, Sundart (Middle East) is entitled to share 51% of the net profits of Sundart Interior.