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**SUNBY 宋服務**

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**Sundy Service Group Co. Ltd**

**宋都服务集团有限公司**

*(Incorporate in the Cayman Islands with limited liability)*

**(Stock Code: 9608)**

**DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO  
ACQUISITION OF PROPERTIES AND  
DEBTS SETTLEMENT FRAMEWORK AGREEMENT**

**Independent Financial Advisor to  
the Independent Board Committee and the Independent Shareholders**



**BACKGROUND**

Reference is made to (i) the section “Connected Transactions” in the Prospectus, in relation to, among others, the Master Property Management Agreement and the Master Service Agreement, (ii) the 2021 Announcement and the 2021 Circular in relation to, among others, the Supplemental Property Management Agreement and the Supplemental Service Agreement and (iii) the 2022 Announcements and 2023 Circular in relation to, among others, the New Master Property Management Agreement and the New Master Service Agreement, pursuant to which, the Group agreed to provide property management services, value-added services to non-property owners, community value-added services and other services to Sundy Land Group. The Receivables (unaudited) in relation to the services provided by the Group to Sundy Land Group as at 31 December 2023 under the Property Management Agreements and the Service Agreements which were due and remained outstanding as of the date of the Acquisition of Properties and Debts Settlement Framework Agreement were approximately RMB144.8 million in total.

On 26 March 2024 (after trading hours), the Company entered into the Acquisition of Properties and Debts Settlement Framework Agreement with Sundy Land Group. Pursuant to the Acquisition of Properties and Debts Settlement Framework Agreement, the Company has conditionally agreed to acquire and the Sundy Land Group has conditionally agreed to dispose of the Settlement Properties in an aggregate consideration of RMB100,050,000 which shall be offset against the Receivables on a dollar-for-dollar basis.

## **LISTING RULES IMPLICATION**

As the highest of all applicable percentage ratios in respect of the transactions contemplated under the Acquisition of Properties and Debts Settlement Framework Agreement is higher than 5% but below 25%, the entering into of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder also constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to notification and announcement requirements.

As at the date of this announcement, Sundy Land is owned as to approximately 29.04% by Hangzhou Xingfu Jian (which was wholly owned by Mr. Yu), approximately 9.74% by Mr. Yu and approximately 4.51% by Ms. Guo, spouse of Mr. Yu, which Mr. Yu is a Controlling Shareholder of the Company. As such, the transactions contemplated under the Acquisition of Properties and Debts Settlement Framework Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules which is subject to reporting, announcement, circular and Independent Shareholders' approval requirements.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Grande Capital Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene the EGM to consider and, if thought fit, to approve, among other things, the entering into of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Sundy Heye was interested in 2,280,000,000 Shares, constituting approximately 59.38% of the issued share capital of the Company. Sundy Heye is owned as to 100% by CMB Wing Lung (Trustee) Limited (through its nominee companies) as trustee of The Jianwu Yu's Trust and Mr. Yu as settlor. Mr. Yu and his family members are the discretionary beneficiaries of The Jianwu Yu's Trust. Accordingly, Sundy Heye is required to be abstained from voting on the resolutions to be proposed at the EGM approving the entering into of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders will be required to abstain from voting on the relevant resolutions approving the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) further information on the Acquisition of Properties and Debts Settlement Framework Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report of the Settlement Properties; and (v) a notice of the EGM with the proxy form, is expected to be despatched to the Shareholders on or before 19 April 2024.

## BACKGROUND

Reference is made to (i) the section “Connected Transactions” in the Prospectus, in relation to, among others, the Master Property Management Agreement and the Master Service Agreement, (ii) the 2021 Announcement and the 2021 Circular in relation to, among others, the Supplemental Property Management Agreement and the Supplemental Service Agreement and (iii) the 2022 Announcements and 2023 Circular in relation to, among others, the New Master Property Management Agreement and the New Master Service Agreement, pursuant to which, the Group agreed to provide property management services, value-added services to non-property owners, community value-added services and other services to Sundy Land Group. The Receivables (unaudited) in relation to the services provided by the Group to Sundy Land Group as at 31 December 2023 under the Property Management Agreements and the Service Agreements which were due and remained outstanding as of the date of the Acquisition of Properties and Debts Settlement Framework Agreement were approximately RMB144.8 million in total.

On 26 March 2024 (after trading hours), the Company entered into the Acquisition of Properties and Debts Settlement Framework Agreement with Sundy Land Group. Pursuant to the Acquisition of Properties and Debts Settlement Framework Agreement, the Company has conditionally agreed to acquire and the Sundy Land Group has conditionally agreed to dispose of the Settlement Properties in an aggregate consideration of RMB100,050,000 which shall be offset against the Receivables on a dollar-for-dollar basis.

## ACQUISITION OF PROPERTIES AND DEBTS SETTLEMENT FRAMEWORK AGREEMENT

The principal terms of the Acquisition of Properties and Debts Settlement Framework Agreement are set out below:

- Date:** 26 March 2024 (after trading hours)
- Parties:**
- (a) The Company (on behalf of members of the Group); and
  - (b) Sundy Land Group
- Location of the Settlement Properties:**
- (i) a total of 96 parking spots with a GFA of approximately 5,232.13 sq.m. located in Kaiyuan Street, Tonglu County, Hangzhou City, Zhejiang Province, PRC (the “**Target Parking Spots**”);
  - (ii) storage rooms with a GFA of approximately 1,849.00 sq.m. located in Kaiyuan Street, Tonglu County, Hangzhou City, Zhejiang Province, PRC (the “**Target Storage Rooms**”);
  - (iii) a total of 12 commercial stores with a GFA of approximately 5,631.17 sq.m located in Kaiyuan Street, Tonglu County, Hangzhou City, Zhejiang Province, PRC (the “**Target Commercial Stores**”)
- Site area:** The Settlement Properties have a GFA of 12,712.3 sq.m.

**Term of use of the Settlement Properties:**

For the Target Commercial Stores, the term of use is from 11 March 2013, and will end on 10 March 2050.

In the PRC, trading in parking spots and storage rooms can be carried out by the assignment of right of use where the direct transfer of property ownership right is not available under the PRC laws and regulations. Therefore, the term of use of the Target Parking Spots and the Target Storage Rooms is not available.

If the direct transfer of the property ownership right in the Target Parking Spots and the Target Storage Rooms is allowed under the PRC laws and regulations in the future, Sundy Land Group shall actively cooperate with the Group to carry out the transfer of the said property ownership right.

**Subject Matter:**

The Acquisition of Properties and Debts Settlement Framework Agreement is a framework agreement which contains the principles, mechanisms and terms and conditions upon which the parties thereto are to carry out the transactions respectively. Following the signing:

(i) the respective vendors (being a relevant member of Sundy Land Group) and the respective purchasers (being a member of the Group) shall separately enter into an asset transfer agreement or a right of use transfer agreement (as the case may be) and relevant ancillary documents (collectively, the “**Underlying Agreement(s)**”) for the purpose of (a) registration of transfer of property ownership right; or (b) effecting the assignment of the right of use, in the Settlement Properties; and (ii) the Company and Sundy Land Group shall procure its relevant subsidiary or associate with the property owner of the Settlement Properties to enter into a settlement agreement (the “**Settlement Agreement(s)**”) in the form satisfactory to the Group, pursuant to which the consideration for the relevant acquisition payable by members of the Group shall be offset against the Receivables on a dollar-for-dollar basis.

**Consideration:**

The aggregate consideration for the acquisition of Settlement Properties is RMB100,050,000. It was agreed by the Company and Sundy Land under the Acquisition of Properties and Debts Settlement Framework Agreement that the consideration for the acquisition of Settlement Properties payable by the Group shall be offset against the Receivables on a dollar-for-dollar basis, and thus no separate cash payment will be made by the Group to Sundy Land Group.

**Basis of determination of the consideration**

The consideration for the acquisition of Settlement Properties was determined after arm’s length negotiations between the Company and Sundy Land with reference to, among others, (i) the valuation of the Settlement Properties as at 29 February 2024 in the aggregate amount of RMB100,050,000, conducted by an independent valuer in the PRC using market approach; (ii) the prevailing market prices for the property projects of which the Settlement Properties form part; (iii) the prevailing market prices for the comparable assets in the proximity; and (iv) the prevailing property market condition.

## Conditions precedent

Completion of the Acquisition of Properties and the Debts Settlement Framework Agreement is subject to the fulfilment or waiver (as the case may be) of the following conditions:

- (i) completion of legal and financial due diligence on the Settlement Properties by the Group with the results thereof being satisfactory to the Group;
- (ii) all representations, warranties and undertakings made by Sundry Land Group to the Group under the Acquisition of Properties and the Debts Settlement Framework Agreement, the Underlying Agreements and the Settlement Agreements being true, accurate and complete;
- (iii) the Underlying Agreements and the Settlement Agreements having been signed by the relevant parties and taken effect and remaining in full force;
- (iv) all necessary internal authorisations and approvals in relation to the Acquisition of Properties and the Debts Settlement Framework Agreement having been obtained by the Group, including the approval by the Independent Shareholders as required under the Listing Rules;
- (v) all necessary internal authorisations and approvals in relation to the Acquisition of Properties and the Debts Settlement Framework Agreement having been obtained by Sundry Land Group, including the approval by the shareholders as required under the listing rules of Beijing Stock Exchange;
- (vi) Sundry Land Group and the Settlement Properties not being involved in any litigation disputes, court enforcement actions and other issues which may suspend the transfer of the ownership or the use of rights of the Settlement Properties;
- (vii) the Settlement Properties not having any transfer barriers in respect to legislation and regulations in the PRC; and
- (viii) if applicable, all necessary governmental and regulatory approvals in relation to the Acquisition of Properties and the Debts Settlement Framework Agreement having been obtained.

Except for the conditions precedent as set out in sub-paragraphs (iii) to (viii) above which are not waivable, other conditions precedent as set out above are waivable by the Group.

## Delivery and completion

The relevant vendors shall cooperate with the relevant purchasers to apply for the change of registration to the land administrative department or assignment of the right of use, where applicable for the Settlement Properties within 30 business days upon the fulfilment of above conditions precedent (or waived, if applicable).

Pursuant to the Acquisition of Properties and Debts Settlement Framework Agreement, the Group shall have inspected the Settlement Properties and the standard of delivery is based on the Settlement Properties on an “as-is” basis. After the inspection, both parties shall sign a property delivery form for purpose of delivery of the Settlement Properties.

Should there be adverse change to any of the Settlement Properties before offsetting the Receivables, the Company will have the discretion to require an alternative property (the “**Alternative Property**”) owned by Sundry Land Group with equivalent value or refuse to offset the equivalent debts. The Alternative Property will be selected based on the criteria below: (i) value of the Alternative Property as valued by the independent qualified valuer is equivalent or higher as compared with value of the Settlement Property; (ii) the Alternative Property is located at the same project or in proximity to the Settlement Property; and (iii) there is no encumbrances on the ownership or right of use of the Alternative Property.

## **INFORMATION ON THE SETTLEMENT PROPERTIES**

Nine out of twelve the Target Commercial Stores and approximately half of the Target Storage Rooms, were leased out to independent third parties with formal tenancy agreement over long-term periods. As confirmed by Sundry Land and the Company, Sundry Land Group shall cooperate with the Group about the renewal of the existing rental agreements.

As at 29 February 2024, as confirmed by Sundry Land Group, the carrying value of the Settlement Properties was approximately RMB98,263,309.14, which was the total development cost paid by Sundry Land Group.

The Settlement Properties were selected by the Company after considering that (i) the Settlement Properties are currently under the management of the Group thus the Group has a better understanding of the Settlement Properties and has a confidence in the growth of the value; (ii) the existing long-term tenancy agreements, which would generate a steady cash inflow to the Group; and (iii) the Settlement Properties were located near the Fuchun River, which faces natural sceneries and possesses large flow of travelers.

## **FINANCIAL EFFECT OF THE ACQUISITION OF THE SETTLEMENT PROPERTIES**

Upon the completion of the acquisition of the Settlement Properties, it is expected that the Settlement Properties will be classified as (i) inventories of the Group, so that the inventories of the Group will be increased by approximately RMB36.2 million and (ii) investment properties of the Group, so that the investment properties of the Group will be increased by approximately RMB63.8 million. Such amount of inventories and investment properties are recognised based on the acquisition cost for the Settlement Properties, being approximately RMB100.05 million. Meanwhile, as the consideration payable by the Group for the acquisition of the Settlement Properties will be offset against the Receivables on a dollar-for-dollar basis, the Group's accounts receivables will then be reduced by approximately RMB100.05 million. It is expected that the subsequent resale and the rental income of the Settlement Properties will lead to an increase in the Group's revenue and cash inflow.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION OF PROPERTIES AND DEBTS SETTLEMENT FRAMEWORK AGREEMENT**

The Group possesses the experience in managing the long-term rental business and is engaged in the filed of the real estate agency. As the Settlement Properties were currently under the management of the Group and the existence of the long-term tenancy agreements of the Settlement Properties, the management believed the Settlement Properties would create good synergy effect with the existing business of the Group and allow the Group to leverage on its expertise and experience in the Settlement Properties, as well as generate potential rental income. As the Group has an experienced sales team, the management is confident that the Group will accelerate sales and enhance the overall value proposition for the Group.

Due to the unforeseen property market downturn and credit and liquidity crunch of the real estate industry, the Group was unable to recover the historical receivables existed from the related parties. The Group has been taking active measures to collect the outstanding receivables after the relevant amount fell due, including but not limited to repeatedly sending demand letters requesting the repayment and arranging on-site collection staff attending offices. Despite the above measures were taken, the Group was still unable to recover all outstanding receivables from Sundry Land Group. Therefore, the Acquisition of Properties and Debts Settlement Framework Agreement will allow the Group to immediately recover part of the Receivables. Upon completion of the Acquisition of Properties and Debts Settlement Framework Agreement, the Group will gradually sell the Settlement Properties to third-party purchasers in the market for cash. The Group intends to dispose of the Settlement Properties either to the owners or tenants of the Group's properties under management or by identifying suitable third parties in the open market.

The terms of the Acquisition of Properties and Debts Settlement Framework Agreement have been arrived at after arm's length negotiations between the parties. The Directors have confirmed that the transactions contemplated under the Acquisition of Properties and Debts Settlement Framework Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

Save as Ms. Yu Yun, the executive Director and chairman of the Board, being the daughter, therefore an associate, of Mr. Yu, all of the Directors have confirmed that none of them has any material interest in the Acquisition of Properties and Debts Settlement Framework Agreement; and therefore no Director (except Ms. Yu Yun) is required to abstain from voting at the meeting of the Board to approve the Acquisition of Properties and Debts Settlement Framework Agreement.

## **INFORMATION ON THE GROUP AND SUNDY LAND GROUP**

### **The Group**

The Company is an investment holding company. The Group is an integrated property management service provider in Zhejiang province, PRC principally engaged in (i) property management; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) other businesses, including long-term rental apartment business.

### **Sundry Land Group**

Sundry Land is a stock company with limited liability established in the PRC on 22 March 1999, an associate of the Controlling Shareholder, Mr. Yu, and is therefore a connected person. Sundry Land and its subsidiaries are principally engaged in real estate development.

## **LISTING RULES IMPLICATIONS**

As the highest of all applicable percentage ratios in respect of the transactions contemplated under the Acquisition of Properties and Debts Settlement Framework Agreement is higher than 5% but below 25%, the entering into of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder also constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to notification and announcement requirements.

As at the date of this announcement, Sundy Land is owned as to approximately 29.04% by Hangzhou Xingfu Jian (which was wholly owned by Mr. Yu), approximately 9.74% by Mr. Yu and approximately 4.51% by Ms. Guo, spouse of Mr. Yu, which Mr. Yu is a Controlling Shareholder of the Company. As such, the transactions contemplated under the Acquisition of Properties and Debts Settlement Framework Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules which is subject to reporting, announcement, circular and Independent Shareholders' approval requirements.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Grande Capital Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene the EGM to consider and, if thought fit, to approve, among other things, the entering into of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Sundy Heye was interested in 2,280,000,000 Shares, constituting approximately 59.38% of the issued share capital of the Company. Sundy Heye is owned as to 100% by CMB Wing Lung (Trustee) Limited (through its nominee companies) as trustee of The Jianwu Yu's Trust and Mr. Yu as settlor. Mr. Yu and his family members are the discretionary beneficiaries of The Jianwu Yu's Trust. Accordingly, Sundy Heye is required to be abstained from voting on the resolutions to be proposed at the EGM approving the entering into of the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders will be required to abstain from voting on the relevant resolutions approving the Acquisition of Properties and Debts Settlement Framework Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) further information on the Acquisition of Properties and Debts Settlement Framework Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report of the Settlement Properties; and (v) a notice of the EGM with the proxy form, is expected to be despatched to the Shareholders on or before 19 April 2024.

**Completion is subject to the fulfillment of certain conditions precedent set out in the Acquisition of Properties and Debts Settlement Framework Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2021 Announcement”	announcement of the Company dated 16 November 2021
“2021 Circular”	circular of the Company dated 13 December 2021
“2022 Announcements”	announcement of the Company dated 31 October 2022, together with the announcement of the Company dated 4 November 2022
“2023 Circular”	circular of the Company dated 23 February 2023
“Acquisition of Properties and Debts Settlement Framework Agreement”	the acquisition of Settlement Properties and debts settlement framework agreement dated 26 March 2024 entered into between the Company and Sundry Land
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Sundy Service Group Co. Ltd (宋都服务集团有限公司) (formerly known as SUNDY HUIDU LIMITED (宋都匯都有限公司)), incorporated in the Cayman Islands on 5 May 2017 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, including any person or group of persons who are entitled to exercise 30% or more of the voting power at the general meeting or are in a position to control the composition of a majority of the Board, which as at the date of this announcement, refer to Mr. Yu and Sundry Heye
“Director(s)”	the director(s) of the Company

“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Acquisition of Properties and Debts Settlement Framework Agreement, the connected transactions contemplated thereunder
“GFA”	gross floor area
“Group”	the Company and its subsidiaries from time to time
“Heye Investment”	Hangzhou Heye Investment Management Co., Ltd.* (杭州和業投資管理有限公司), a company established in the PRC with limited liability
“Hangzhou Xingfu Jian”	Hangzhou Xingfu Jian Holdings Co., Ltd.* (杭州幸福健控股有限公司) (formerly known as Zhejiang Songdu Holdings Co., Ltd.* (浙江宋都控股有限公司)), a company incorporated in the PRC with limited liability and is a company wholly-owned by Mr. Yu
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Zhu Haoxian, Ms. Ye Qian and Mr. Huang Enze, established to advise the Independent Shareholders in respect of the Acquisition of Properties and Debt Settlement Framework Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Grande Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition of Properties and Debt Settlement Framework Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM to approve the Acquisition of Properties and Debt Settlement Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Property Management Agreement”	the master property management agreement dated 21 December 2020 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and Sundry Land (for itself and as trustee for other members of the Sundry Land Group) for provision of property management services

“Master Service Agreement”	the master service agreement dated 21 December 2020 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and Sundy Land (for itself and as trustee for other members of the Sundy Land Group) for provision of value-added services to non-property owners, community value-added services and other services
“Ms. Guo”	Ms. Guo Yijuan (郭軼娟), spouse of Mr. Yu
“Mr. Yu”	Mr. Yu Jianwu (俞建午), one of the Controlling Shareholders of the Company
“New Master Property Management Agreement”	the master property management agreement dated 31 October 2022 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and Sundy Land (for itself and as trustee for other members of the Sundy Land Group) for provision of property management services
“New Master Service Agreement”	the master service agreement dated 31 October 2022 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and Sundy Land (for itself and as trustee for other members of the Sundy Land Group) for provision of value-added services to non-property owners, community value-added services and other services
“PRC”	the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this announcement, and for geographical reference only, references in this announcement to China or the People’s Republic of China exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan region
“Property Management Agreements”	collectively, the Master Property Management Agreement, the Supplemental Property Management Agreement and the New Property Management Agreement
“Prospectus”	prospectus of the Company dated 31 December 2020
“Receivables”	the total amount of the trade receivables under the Property Managements and the Service Agreements for the year ended 31 December 2023 which were due and remained outstanding as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC

“Service Agreements”	collectively, the Master Service Agreement, the Supplemental Service Agreement and the New Master Service Agreement
“Settlement Properties”	the 96 parking spots, storage rooms and 12 commercial stores to be acquired by the Group under the Acquisition of Properties and Debts Settlement Framework Agreement
“Share(s)”	ordinary share(s) with a nominal value or par value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares from time to time
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Sundy Heye”	SUNDY HEYE LIMITED (宋都和業有限公司), a company incorporated in the BVI with limited liability on 21 March 2017, one of the Controlling Shareholders of the Company
“Sundy Land”	Sundy Land Investment Co., Ltd.* (宋都基業投資股份有限公司), a company established in the PRC with limited liability on 22 March 1999, an associate of Mr. Yu, and is therefore a connected person of the Company
“Sundy Land Group”	Sundy Land and its subsidiaries
“Supplemental Property Management Agreement”	the supplemental agreement dated 16 November 2021 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and Sundy Land (for itself and as trustee for other members of the Sundy Land Group) supplemental to the Master Property Management Agreement in relation to the revision of annual caps for the years ended/ending 31 December 2021 and 2022
“Supplemental Service Agreement”	the supplemental agreement dated 16 November 2021 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and Sundy Land (for itself and as trustee for other members of the Sundy Land Group) supplemental to the Master Service Agreement in relation to the revision of annual caps for the years ended/ending 31 December 2021 and 2022

“US\$”	United States dollars, the lawful currency of United States of America
“The Jianwu Yu’s Trust”	A discretionary trust established by Mr. Yu with CMB Wing Lung (Trustee) Limited
“%”	Per cent

By order of the Board  
**Sundy Service Group Co. Ltd**  
**Yu Yun**  
*Chairman*

Hong Kong, 26 March 2024

*As at the date of this announcement, the Board comprises four executive Directors. Ms. Yu Yun (Chairman), Mr. Zhu Yihua (Chief Executive Officer), Mr. Zhu Congyue and Mr. Zhang Zhenjiang and three independent non-executive Directors, Mr. Zhu Haoxian, Ms. Ye Qian and Mr. Huang Enze.*

\* *for identification purpose only*