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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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9608)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTIONS OF SHARES UNDER GENERAL MANDATE

On 22 May 2024 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total 640,000,000 Subscription Shares at the Subscription Price of HK\$0.198 per Subscription Share for cash of HK\$126.72 million.

The Subscription Shares represent 16.667% of the existing issued share capital of the Company as at the date of this announcement and approximately 14.286% of the issued share of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

The gross proceeds and the net proceeds (after deduction of the related expenses) from the Subscriptions will be HK\$126.72 million and approximately HK\$125.22 million, respectively. The Company intends to apply the net proceeds from the Subscriptions in the manner set out in the paragraph headed “Use of Proceeds and Reasons for the Subscriptions” in this announcement.

The Subscription Shares will be issued pursuant to the General Mandate and the allotment and issue of the Subscription Shares are not subject to Shareholders’ approval. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

As the Completion of each one of the Subscriptions is subject to the satisfaction of the Conditions Precedent as set out in the relevant Subscription Agreement, the Subscriptions may or may not proceed. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENTS

On 22 May 2024 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total 640,000,000 Subscription Shares at the Subscription Price of HK\$0.198 per Subscription Share for cash of HK\$126.72 million.

Subscription Agreement I

Date

22 May 2024 (after trading hours)

Parties

- (i) the Company as the issuer; and
- (ii) the Subscriber I as the subscriber.

Subscription Shares

The Company has agreed to conditionally allot and issue, and the Subscriber I has agreed to conditionally subscribe for 101,010,101 Subscription Shares, which represents:

- (i) 2.630% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 2.255% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

Subscription Agreement II

Date

22 May 2024 (after trading hours)

Parties

- (i) the Company as the issuer; and
- (ii) the Subscriber II as the subscriber.

Subscription Shares

The Company has agreed to conditionally allot and issue, and the Subscriber II has agreed to conditionally subscribe for 101,010,101 Subscription Shares, which represents:

- (i) 2.630% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 2.255% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

Subscription Agreement III

Date

22 May 2024 (after trading hours)

Parties

- (i) the Company as the issuer; and
- (ii) the Subscriber III as the subscriber.

Subscription Shares

The Company has agreed to conditionally allot and issue, and the Subscriber III has agreed to conditionally subscribe for 50,505,051 Subscription Shares, which represents:

- (i) 1.315% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 1.127% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

Subscription Agreement IV

Date

22 May 2024 (after trading hours)

Parties

- (i) the Company as the issuer; and
- (ii) the Subscriber IV as the subscriber.

Subscription Shares

The Company has agreed to conditionally allot and issue, and the Subscriber IV has agreed to conditionally subscribe for 387,474,747 Subscription Shares, which represents:

- (i) 10.090% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 8.649% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

Subscription Price

The Subscription Price of HK\$0.198 per Subscription Share, which represents:

- (i) a discount of approximately 19.5% to the closing price of HK\$0.246 as quoted on the Stock Exchange on Last Trading Day; and
- (ii) a discount of approximately 18.5% to the average closing price of HK\$0.243 as quoted on the Stock Exchange for the five consecutive trading days of Shares immediately prior to the Last Trading Day.

The Subscription Price was determined with reference to the recent price trend and trading volume of the Shares, the prevailing market price of the Shares and the existing capital market conditions, and was negotiated on an arm's length basis between the Company and the Subscribers. The Directors (including the independent non-executive Directors) are of the opinion that the price and terms of the Subscriptions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

General Mandate

The allotment and issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 640,000,000 Shares, representing 20% of the total number of Shares in issue as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Subscription Shares shall utilise 100% of the General Mandate.

Conditions Precedent

Each of the Subscriptions is conditional upon, among others:

- (i) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange;
- (ii) the relevant Subscriber has obtained, completed and/or made all necessary approvals, registrations, filings, reports with respect to the applicable outbound direct investment laws and regulations of the PRC (as the case may be);
- (iii) all relevant approval and consents (including but not limited to approvals from the Securities and Futures Commission of Hong Kong or PRC regulatory authorities, if necessary, but not including the filing to be made by the Company to the CSRC after the Completion pursuant to the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》)) in relation to the relevant Subscription having been obtained by the Company and the relevant Subscriber; and
- (iv) the Company being satisfied that the representations and warranties made by the relevant Subscriber under the relevant Subscription Agreement remain true, accurate and not misleading in all material respects.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

In the event that any Condition Precedent is not fulfilled on or before 31 December 2024 (or such later date or time as may be agreed between the Company and the relevant Subscriber), all rights and obligations of the parties to the relevant Subscription Agreement shall terminate and each party shall have no claim against the other, save and except for any antecedent breaches.

Completion

Completion of each one of the Subscriptions is expected to take place at 4:00 p.m. on the fifteenth Business Day after all the Conditions Precedent having been fulfilled (or such later date or time as the parties to the relevant Subscription Agreement may agree in writing).

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon Completion (assuming that there will be no other changes in the share capital of and shareholding in the Company other than the allotment and issue of the Subscription Shares) is set out below:

Name of Shareholder	Capacity/Nature of Interest	As at the date of this announcement		Immediately after Completion of the Subscriptions	
		Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Substantial Shareholders</i>					
Mr. Yu	Settlor of a trust				
CMB Wing Lung (Trustee) Limited (Note 1)	Trustee	2,280,000,000	59.375	2,280,000,000	50.893
Success Base Group Limited (Note 1)	Interest of a controlled corporation	2,280,000,000	59.375	2,280,000,000	50.893
Sundy Heye (Note 1)	Beneficial owner	2,280,000,000	59.375	2,280,000,000	50.893
<i>Others</i>					
Southeast Ming Qing (Note 2)	Beneficial owner	300,000,000	7.813	300,000,000	6.696
Fuyang Mingjin (Note 3)	Beneficial owner	340,000,000	8.854	340,000,000	7.589
Subscriber I		-	-	101,010,101	2.255
Subscriber II		120,000,000	3.125	101,010,101	4.933
Subscriber III		-	-	50,505,051	1.127
Subscriber IV		-	-	387,474,747	8.649
Other public Shareholders		800,000,000	20.833	800,000,000	17.857
Total		3,840,000,000	100	4,480,000,000	100

Notes:

- Sundy Heye is wholly owned by Success Base Group Limited, which is indirectly wholly owned by CMB Wing Lung (Trustee) Limited. CMB Wing Lung (Trustee) Limited is the trustee of The Yu Jianwu's Trust, which holds the entire issued share capital in Sundy Heye through its nominee companies on trust for the benefit of Mr. Yu and his family members.
- Southeast Ming Qing is ultimately owned as to 90% by Lin Mingqing (林明清) and 10% by Tian Shouyun (田守雲).
- Fuyang Mingjin is ultimately owned as to 90% by Wang Xiangyu (王翔宇) and 10% by Wang Wenhua (王文華).

INFORMATION OF THE COMPANY AND THE SUBSCRIBERS

The Company

The Company is an investment holding company. The Group is an integrated property management service provider in Zhejiang province, principally engaged in the (i) provision of a range of property management services to a variety of properties in the PRC, the majority of which are located in Zhejiang province; (ii) provision of a range of value-added services to non-property owners; (iii) provision of a spectrum of community value-added services; and (iv) other businesses, including hotel business.

The Subscribers

Based on the information provided by the Subscriber I and Subscriber III, each of the Subscriber I and Subscriber III is a businessman or businesswoman. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Subscriber I and Subscriber III is a third party independent of the Company and its connected persons.

Based on the information provided by Subscriber II, Subscriber II is (i) a company established in Hong Kong with limited liability, mainly engaged in the business of equity investment; and (ii) ultimately owned by Ms. Wang Siyi (王思懿). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Subscriber II and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Based on the information provided by Subscriber IV, Subscriber IV is (i) a company established in the PRC with limited liability, mainly engaged in the business of mining industry; and (ii) ultimately owned by Ms. Wang Ziyi (王姿懿). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Subscriber IV and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

USE OF PROCEEDS AND REASONS FOR THE SUBSCRIPTIONS

The gross proceeds and net proceeds (after deducting the related fees and expenses incurred in relation to the Subscriptions) from the Subscriptions are estimated to be HK\$126.72 million and approximately HK\$125.22 million, respectively. The net proceeds raised per Subscription Share arising from the Subscriptions will be approximately HK\$0.196 per Share. The Company intends to utilise the net proceeds for daily operation.

The Directors consider that the Subscriptions provide a good opportunity for the Group to strengthen its financial position and raise funding for the uses as stated above. Also, the Subscriptions will broaden the Company's shareholders base, thereby increasing the liquidity of the Shares. The Directors consider that the terms of Subscription Agreements are fair and reasonable and the Subscriptions are in the interests of the Company and its Shareholders as a whole.

FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 28 March 2024 and will remain suspended until further notice. The Company will make further announcement(s) as and when appropriate.

As the Completion of each one of the Subscriptions is subject to the satisfaction of the Conditions Precedent as set out in the relevant Subscription Agreement, the Subscriptions may or may not proceed. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 1 June 2023
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discounted at or before 12:00 noon) on which licensed banks in Hong Kong or in the PRC are generally open for business
“Company”	Sundy Service Group Co. Ltd (宋都服务集团有限公司) (formerly known as SUNDY HUIDU LIMITED (宋都汇都有限公司)), incorporated in the Cayman Islands on 5 May 2017 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands
“Completion”	completion of each one of the Subscriptions in accordance with the terms and conditions of the relevant Subscription Agreement
“Conditions Precedent”	the conditions precedent in respect of the Completion set out in the Subscription Agreements under the paragraph headed “Conditions Precedent” above
“connected person(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
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Fuyang Mingjin”	Fuyang Mingjin New Energy Development Co., Ltd.* (阜陽明堃新能源開發有限公司), a company established in the PRC with limited liability
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	27 March 2024, being the last trading day prior to the suspension of trading of the Shares on the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited
“Mr. Yu”	Mr. Yu Jianwu (俞建午), one of the Controlling Shareholders of the Company
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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
“Southeast Ming Qing”	Southeast Ming Qing Supply Chain (Fuyang) Co., Ltd.* (東南明清供應鏈(阜陽)有限公司), a company established in the PRC with limited liability

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Subscriber I, Subscriber II, Subscriber III and Subscriber IV and the term “ Subscriber ” shall mean any of them
“Subscriber I”	Mr. Zhang Jian (張兼)
“Subscriber II”	Yuanrui Group Company Limited* (源瑞集團有限公司), a company established in Hong Kong with limited liability
“Subscriber III”	Ms. Chen Mouhan (陳沫含)
“Subscriber IV”	Fuyang Yihang Mining Co., Ltd.* (阜陽逸航礦業有限公司), a company established in the PRC with limited liability
“Subscription Agreements”	collectively, Subscription Agreement I, Subscription Agreement II, Subscription Agreement III and Subscription Agreement IV and the term “ Subscription Agreement ” shall mean any of them
“Subscription Agreement I”	the subscription agreement dated 22 May 2024 entered into between the Subscriber I and the Company regarding Subscription I
“Subscription Agreement II”	the subscription agreement dated 22 May 2024 entered into between the Subscriber II and the Company regarding Subscription II
“Subscription Agreement III”	the subscription agreement dated 22 May 2024 entered into between the Subscriber III and the Company regarding Subscription III
“Subscription Agreement IV”	the subscription agreement dated 22 May 2024 entered into between the Subscriber IV and the Company regarding Subscription IV
“Subscriptions”	collectively, Subscription I, Subscription II, Subscription III and Subscription IV and the term “ Subscription ” shall mean any of them
“Subscription I”	the subscription of the 101,010,101 Subscription Shares by Subscriber I pursuant to Subscription Agreement I
“Subscription II”	the subscription of the 101,010,101 Subscription Shares by Subscriber II pursuant to Subscription Agreement II
“Subscription III”	the subscription of the 50,505,051 Subscription Shares by Subscriber III pursuant to Subscription Agreement III
“Subscription IV”	the subscription of the 387,474,747 Subscription Shares by Subscriber IV pursuant to Subscription Agreement IV
“Subscription Price”	HK\$0.198 per Subscription Share

“Subscription Share(s)”	the 640,000,000 new and fully paid Shares to be subscribed for by the Subscribers
“Sundy Heye”	SUNDY HEYE LIMITED (宋都和業有限公司), a company incorporated in the British Virgin Islands with limited liability on 21 March 2017, one of the Controlling Shareholders of the Company
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

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

Hong Kong, 22 May 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, Mr. Huang Enze and Ms. Ye Qian.