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SUNDY 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)

**REVISION OF THE ANNUAL CAPS FOR
THE CONTINUING CONNECTED TRANSACTIONS WITH
SUNDY LAND GROUP**

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



雋匯國際金融有限公司
Jun Hui International Finance Limited

BACKGROUND

Reference is made to the section headed “Connected Transactions” in the Prospectus, containing among other things, the non-exempt continuing connected transactions in relation to the Master Property Management Agreement and the Master Service Agreement, both with a term from the Listing Date until 31 December 2022, respectively.

REVISION OF ANNUAL CAPS UNDER THE SUPPLEMENTAL AGREEMENTS

On 21 December 2020, the Company (for itself and as trustee for the benefit of other members of the Group) entered into (i) the Property Management Agreements, including the Master Property Management Agreement; and (ii) the Master Service Agreement, with Sundy Land (for itself and as trustee for other members of Sundy Land Group). For further details (including the key terms and conditions), please refer to the paragraph headed “Connected Transactions – Non-exempt continuing connected transactions” in the Prospectus.

As it is expected that the actual transaction amounts under the Master Property Management Agreement and the Master Service Agreement for the two years ending 31 December 2022 will exceed the original projection, on 16 November 2021 (after trading hours), 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) entered into the following agreements:

- (i) the Supplemental Property Management Agreement to revise the 2021 Property Management Annual Cap and the 2022 Property Management Annual Cap pursuant to the Master Property Management Agreement for the two years ending 31 December 2022; and
- (ii) the Supplemental Service Agreement to revise the 2021 Value-added Service Annual Cap, the 2021 Aggregated Service Annual Cap, the 2022 Value-added Service Annual Cap and the 2022 Aggregated Service Annual Cap pursuant to the Master Service Agreement for the two years ending 31 December 2022.

LISTING RULES IMPLICATIONS

General

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the requirements of announcement and approval by the Independent Shareholders.

As at the date of this announcement, Sundy Land is owned as to approximately 35.01% by Sundy Holdings (which was wholly owned by Mr. Yu), approximately 9.74% by Mr. Yu and approximately 4.51% by Ms. Guo, spouse of Mr. Yu. Mr. Yu is a Controlling Shareholder of the Company. Therefore, Sundy Land, as an associate of Mr. Yu, is a connected person of the Company. As such, the transactions contemplated under the Supplemental Property Management Agreement and the Supplemental Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Supplemental Property Management Agreement and aggregation of annual caps contemplated under the Master Property Management Agreement, the Zhizhonghe Master Agreement and the Yangguang Master Agreement

As the Property Management Agreements, namely (i) the Master Property Management Agreement; (ii) the Zhizhonghe Master Agreement; and (iii) the Yangguang Master Agreement, are all related to the property management services provided by the Group to associates of Mr. Yu, namely Sundy Land Group, Zhizhonghe Group and Sundy Yangguang Kindergarten, respectively, they have been aggregated for the purposes of the Listing Rules. Since the 2021 Property Management Annual Cap and the 2022 Property Management Annual Cap are revised, the aggregate annual caps under the Property Management Agreements will be revised for the two years ending 31 December 2022 accordingly.

As one or more of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the largest aggregate annual caps (taking into account the revised 2021 Property Management Annual Cap and the revised 2022 Property Management Annual Cap) under the Property Management Agreements is more than 5% and the aggregate amount exceeds HK\$10,000,000, the transactions contemplated under the Supplemental Property Management Agreement (including the revised 2021 Property Management Annual Cap and the revised 2022 Property Management Annual Cap) are subject to the requirements of annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

Supplemental Service Agreement

As one or more of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the maximum service fee payable by Sundry Land Group to the Group under the Master Service Agreement (taking into account the Supplemental Service Agreement, the revised 2021 Aggregated Service Annual Cap and the revised 2022 Aggregated Service Annual Cap) is more than 25%, the transactions contemplated under the Supplemental Service Agreement are subject to the requirements of annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened to consider and, if thought fit, to approve, among other things, the Supplemental Property Management Agreement, the Supplemental Service Agreement and the continuing connected transactions contemplated thereunder (including the revised annual caps in relation thereto).

A circular containing, among other things, (i) a letter from the Board containing further details and information of the Supplemental Property Management Agreement, the Supplemental Service Agreement and the continuing connected transactions (including the revised annual caps in relation thereto) contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in connection with the aforesaid; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in connection with the aforesaid; and (iv) a notice convening the EGM together with the proxy form, is expected to be despatched to the Shareholders on or before 7 December 2021 in accordance with the Listing Rules.

BACKGROUND

Reference is made to the section headed “Connected Transactions” in the Prospectus, containing among other things, details of the non-exempt continuing connected transactions in relation to the Master Property Management Agreement and the Master Service Agreement, both with a term from the Listing Date until 31 December 2022, respectively.

Master Property Management Agreement

On 21 December 2020, the Company (for itself and as trustee for the benefit of other members of the Group) entered into the Master Property Management Agreement with Sundry Land (for itself and as trustee for other members of Sundry Land Group), pursuant to which the Group agreed to provide property management services, including but not limited to security, cleaning, gardening, repair and maintenance of common areas and common facilities and ancillary services, to the properties developed or owned by Sundry Land Group for a term commencing from the Listing Date until 31 December 2022. For further details (including the key terms and conditions) of the Master Property Management Agreement, please refer to the paragraph headed “Connected Transactions – Non-exempt continuing connected transactions” in the Prospectus.

Master Service Agreement

On 21 December 2020, the Company (for itself and as trustee for the benefit of other members of the Group) entered into the Master Service Agreement with Sundry Land (for itself and as trustee for other members of Sundry Land Group), pursuant to which the Group agreed to provide (i) value-added services to non-property owners, including but not limited to consulting services, sale assistance services and pre-delivery services; (ii) community value-added services, including but not limited to property repair and maintenance, waste cleaning, utility fee collection, remodelling and decoration and community space services; and (iii) other services, including but not limited to provision of conferencing and meeting spaces for rental by corporate clients at properties developed or owned by Sundry Land Group or provision of accommodation to the employees of members of Sundry Land Group (where applicable), for a term commencing from the Listing Date until 31 December 2022. For further details (including the key terms and conditions), please refer to the paragraph headed “Connected Transactions – Non-exempt continuing connected transactions” in the Prospectus.

REVISION OF ANNUAL CAPS UNDER THE SUPPLEMENTAL AGREEMENTS

Revision of the 2021 Property Management Annual Cap and the 2022 Property Management Annual Cap under the Supplemental Property Management Agreement

The Company has been closely monitoring the progress of its continuing connected transactions with Sundry Land Group under the Master Property Management Agreement. In view that (i) the Group has been providing extra and wider scope of property management services, such as additional cleaning services to the properties developed or owned by Sundry Land Group; (ii) the increase in scale of sale, area and number of properties developed by the Sundry Land Group resulting in an increased demand for property management services; and (iii) the actual delivery time of four property projects developed by the Sundry Land Group was delayed from the expected delivery time leading to extra property management services required by Sundry Land Group, the transaction amount under the Master Property Management Agreement is approaching the 2021 Property Management Annual Cap.

The following table sets forth the historical transaction amounts of the Master Property Management Agreement for the year ended 31 December 2020 and for the nine months ended 30 September 2021, respectively:

	For the year ended 31 December 2020 <i>(RMB'000)</i> <i>(audited)</i>	For the nine months ended 30 September 2021 <i>(RMB'000)</i> <i>(unaudited)</i>
• Master Property Management Agreement	21,906	18,880

The total actual transaction amount under the Master Property Management Agreement for the nine months ended 30 September 2021 constituted approximately 82.8% of the original 2021 Property Management Annual Cap.

Accordingly, on 16 November 2021 (after trading hours), 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) entered into the Supplemental Property Management Agreement to revise the 2021 Property Management Annual Cap and the 2022 Property Management Annual Cap with details as below:

	For the year ending 31 December 2021 <i>(RMB'000)</i>	For the year ending 31 December 2022 <i>(RMB'000)</i>
Original annual cap	22,800	24,800
Revised annual cap	32,800	34,800

The Board further confirms that as at the date of this announcement, the actual transaction amount under the Master Property Management Agreement has not exceeded the original 2021 Property Management Annual Cap (i.e. RMB22,800,000).

Save as disclosed above, all the existing principal terms of the Master Property Management Agreement remain unchanged.

The revised 2021 Property Management Annual Cap and the revised 2022 Property Management Annual Cap were determined with reference to:

- (i) the historical transaction amounts for the three years ended 31 December 2020 and the nine months ended 30 September 2021;
- (ii) the number of property units and corresponding GFA that the Group has been currently engaged by Sundry Land Group as a property management service provider;
- (iii) the increase in the number of projects and corresponding GFA that the Group expects to be engaged by Sundry Land Group as a property management service provider for each of the years ending 31 December 2021 and 2022, taking into account, among others, the number of pipeline properties and their expected delivery date and the expected sales of such pipeline properties; and
- (iv) the annual increment in the services fees to be charged by the Group taking into account the expected inflation in the PRC.

Revision of 2021 Value-added Service Annual Cap, 2021 Aggregated Service Annual Cap, 2022 Value-added Service Annual Cap and 2022 Aggregated Service Annual Cap under the Supplemental Service Agreement

The Company has also been closely monitoring the progress of its continuing connected transactions with Sundry Land Group under the Master Service Agreement. In view that (i) the Sundry Land Group requested to expand the scope of value-added services to non-property owners of certain properties due to the needs of the relevant projects; and (ii) the increase in scale of sale, area and number of properties developed by the Sundry Land Group resulting in an increased demand for value-added services, the actual transaction amount of value-added services to non-property owners paid by Sundry Land Group pursuant to the Master Service Agreement is approaching the 2021 Value-added Service Annual Cap.

The following table sets forth the historical transaction amounts of the fee for value-added services to non-property owners paid by the Sundry Land Group pursuant to the Master Service Agreement for the year ended 31 December 2020 and for the nine months ended 30 September 2021, respectively:

	For the year ended 31 December 2020 (RMB'000) (audited)	For the nine months ended 30 September 2021 (RMB'000) (unaudited)
• value-added services to non-property owners	49,024	47,291

The total fee for value-added services to non-property owners paid by the Sundry Land Group pursuant to the Master Service Agreement for the nine months ended 30 September 2021 constituted approximately 82.4% of the original 2021 Value-added Service Annual Cap.

Accordingly, on 16 November 2021 (after trading hours), 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) entered into the Supplemental Service Agreement to revise (i) the 2021 Value-added Service Annual Cap and the 2022 Value-added Service Annual Cap; and (ii) the 2021 Aggregated Service Annual Cap and the 2022 Aggregated Service Annual Cap. Details of the corresponding revisions are set out as below:

	For the year ending 31 December 2021 (RMB'000)	For the year ending 31 December 2022 (RMB'000)
<i>Original annual cap</i>		
• value-added services to non-property owners	57,386	64,722
• community value-added services	13,404	14,549
• other services	210	229
	<hr/>	<hr/>
Aggregated annual cap	71,000	79,500
	<hr/> <hr/>	<hr/> <hr/>
<i>Revised annual cap</i>		
• value-added services to non-property owners	82,386	89,722
• community value-added services	13,404 ^(Note)	14,549 ^(Note)
• other services	210 ^(Note)	229 ^(Note)
	<hr/>	<hr/>
Aggregated annual cap	96,000	104,500
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Note:

The corresponding individual annual cap remains unchanged.

The Board further confirms that as at the date of this announcement, (i) the actual transaction amount in relation to value-added services to non-property owners under the Master Service Agreement has not exceeded the original 2021 Value-added Service Annual Cap (i.e. RMB57,386,000); and (ii) the actual aggregated transaction amount under the Master Service Agreement has not exceeded the original 2021 Aggregated Service Annual Cap (i.e. RMB71,000,000).

Save as disclosed above, all the existing principal terms of the Master Service Agreement remain unchanged.

The revised 2021 Value-added Service Annual Cap and the revised 2022 Value-added Service Annual Cap were determined with reference to:

- (i) the historical transaction amounts for the three years ended 31 December 2020 and the nine months ended 30 September 2021;

- (ii) the number of property units and corresponding GFA that the Group has been currently engaged by Sundry Land Group as a value-added service provider;
- (iii) the increase in the number of projects and corresponding GFA that the Group expect to be engaged by Sundry Land Group as a value-added service provider for each of the years ending 31 December 2021 and 2022, taking into account, among others, the number of development projects under construction and pipeline development projects of Sundry Land Group, the number of pipeline properties of property management services, their expected delivery dates and the expected sales of such pipeline properties which substantially overlap with the ones of value-added services; and
- (iv) the annual increment in the services fees to be charged by the Group taking into account the expected inflation in the PRC.

The revised 2021 Aggregated Service Annual Cap and the revised 2022 Aggregated Service Annual Cap were determined based on the revision of the 2021 Value-added Service Annual Cap and the 2022 Value-added Service Annual Cap.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENTS

As at the time of the Listing, the Company estimated the annual caps under the Master Property Management Agreement and the Master Service Agreement, with reference to the information available to the Company as at the material time, in particular, the relevant historical transactions for the three years ended 31 December 2019 and the six months ended 30 June 2020. With the background of entering into the Supplemental Property Management Agreement and the Supplemental Service Agreement as stated under the section headed “Revision of Annual Caps under the Supplemental Agreements” above, it is expected that the original 2021 Property Management Annual Cap and the original 2021 Value-added Service Annual Cap will not be sufficient. In addition, based on the development plans and pipeline projects of the Sundry Land Group provided to the Group for the two years ending 31 December 2022, the Board estimates that there will be more rapid growth in the demand for property management services and value-added services to non-property owners by the Sundry Land Group than the estimation as at the time of the Listing.

By entering into the Supplemental Agreements, the Group is able to secure more engagements of property management services and value-added services to non-property owners for properties developed by the Sundry Land Group when available, which could enhance the Group’s income stream and further promote the business growth of the Group.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Supplemental Agreements and the transactions contemplated thereunder (including the revised annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary course of business of the Group and in the interests of the Company and its Shareholders as a whole.

BOARD'S APPROVAL

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

INTERNAL CONTROL

The Company has adopted various internal control measures to monitor the transactions contemplated under the Property Management Agreements (with Master Property Management Agreement as amended by the Supplemental Property Management Agreement) and the Master Service Agreement (as amended by the Supplemental Service Agreement) (collectively the “**Subject Agreements**”), including:

- (i) the general management and administration department of the Company (the “**Administrative Department**”) will continuously inspect and regularly collect and evaluate the pricing principles, transaction terms and actual transaction amounts of the Subject Agreements to ensure that the transactions thereunder are conducted on normal commercial terms or on terms no less favorable than those available from independent third parties and that the total transaction amount will not exceed the proposed annual caps;
- (ii) the Company's financial department (the “**Financial Department**”) closely monitors the actual transaction amounts under the Subject Agreements. If there is a likelihood that any of the proposed annual caps may be exceeded at any time during the year, the Financial Department will inform the Administrative Department, which will then report to the Board, and the Board (after seeking advice from the audit committee of the Company) will take measures to revise the annual cap amounts (if appropriate) and comply with the relevant announcement and shareholders' approval requirements in accordance with the Listing Rules;
- (iii) the Financial Department will review the transactions entered into under the Subject Agreements on a quarterly basis and report to the Administrative Department to ensure that the revised annual caps under the Supplemental Agreements will not be exceeded;
- (iv) the Company will conduct internal control review and financial audit on an annual basis, and conduct financial monitoring and decision-making analysis on a half-year basis so as to ensure compliance with the terms of the Subject Agreements and pricing policies;
- (v) the independent non-executive Directors have also reviewed and will continue to review the Subject Agreements and ensure that the Subject Agreements, if applicable, are entered on normal commercial terms, fair and reasonable, and carried out pursuant to the terms thereof; and
- (vi) the auditor of the Company will also conduct annual review on the pricing and annual caps of the Subject Agreements.

GENERAL INFORMATION

Information of the Group

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.

Information of the Sundry Land Group

Sundry Land was a company established in the PRC with limited liability on 22 March 1999 and was listed on the Shanghai Stock Exchange (stock code: 600077) on 20 May 1997. Sundry Land and its subsidiaries are principally engaged in property development and sales of properties.

LISTING RULES IMPLICATIONS

General

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the requirements of announcement and approval by the Independent Shareholders.

As at the date of this announcement, Sundry Land is owned as to approximately 35.01% by Sundry Holdings (which was wholly owned by Mr. Yu), approximately 9.74% by Mr. Yu and approximately 4.51% by Ms. Guo, spouse of Mr. Yu. Mr. Yu is a Controlling Shareholder of the Company. Therefore, Sundry Land, an associate of Mr. Yu, is a connected person of the Company. As such, the transactions contemplated under the Supplemental Property Management Agreement and the Supplemental Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Supplemental Property Management Agreement and aggregation of annual caps contemplated under the Master Property Management Agreement, the Zhizhonghe Master Agreement and the Yangguang Master Agreement

On 21 December 2020, in addition to the Master Property Management Agreement entered with the Sundry Land Group, the Company (for itself and as trustee for the benefit of other members of the Group) entered into the Zhizhonghe Master Agreement and the Yangguang Master Agreement regarding provision of property management services with Zhizhonghe Industry (for itself and as trustee for the benefit of other members of the Zhizhonghe Group) and Sundry Yangguang Kindergarten, respectively. The Master Property Management Agreement, Zhizhonghe Master Agreement and Yangguang Master Agreement have been aggregated for the purposes of the Listing Rules on the basis that they all relate to the property management services provided by the Group to associates of Mr. Yu, namely Sundry Land Group, Zhizhonghe Group and Sundry Yangguang Kindergarten, respectively. For further details, please refer to the paragraph headed “Connected Transactions – Non-exempt continuing connected transactions” in the Prospectus.

The details of the revision of the aggregated annual caps under the Property Management Agreements for the two years ending 31 December 2022 as set out below:

	For the year ending 31 December 2021 (RMB '000)	For the year ending 31 December 2022 (RMB '000)
<i>Original annual cap</i>		
• Master Property Management Agreement	22,800	24,800
• Zhizhonghe Master Agreement	1,800	2,000
• Yangguang Master Agreement	70	70
	<hr/>	<hr/>
Aggregated annual cap	24,670	26,870
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<i>Revised annual cap</i>		
• Master Property Management Agreement	32,800	34,800
• Zhizhonghe Master Agreement	1,800 ^(Note)	2,000 ^(Note)
• Yangguang Master Agreement	70 ^(Note)	70 ^(Note)
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Aggregated annual cap	34,670	36,870
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Note:

The corresponding individual annual cap remains unchanged.

As one or more of the applicable percentage ratios (other than profits ratio) as defined under the Listing Rules in respect of the largest aggregated annual cap (taking into account the revised 2021 Property Management Annual Cap and the revised 2022 Property Management Annual Cap) under the Property Management Agreements is more than 5% and the aggregate amount exceeds HK\$10,000,000, the transactions contemplated under the Supplemental Property Management Agreement (including the revised 2021 Property Management Annual Cap and the revised 2022 Property Management Annual Cap) are subject to the requirements of annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

Supplemental Service Agreement

As one or more of the applicable percentage ratios (other than profits ratio) as defined under the Listing Rules in respect of the maximum service fee payable by Sundry Land Group to the Group under the Master Service Agreement (taking into account the Supplemental Service Agreement, the revised 2021 Aggregated Service Annual Cap and the revised 2022 Aggregated Service Annual Cap) is more than 25%, the transactions contemplated under the Supplemental Service Agreement are subject to the requirements of annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

EGM

The Supplemental Property Management Agreement, the Supplemental Service Agreement and the continuing connected transactions (including the revised annual caps in relation thereto) contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolutions at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors have been established to advise the Independent Shareholders as to whether the terms of the Supplemental Property Management Agreement and the Supplemental Service Agreement are fair and reasonable, and such continuing connected transactions (including the revised annual caps in relation thereto) contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM after taking into account the recommendations of the Independent Financial Adviser. Jun Hui International Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

A circular containing, among other things, (i) a letter from the Board containing further details and information of the Supplemental Property Management Agreement, the Supplemental Service Agreement and the continuing connected transactions (including the revised annual caps in relation thereto) contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in connection with the aforesaid; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in connection with the aforesaid; and (iv) a notice convening the EGM together with the proxy form, is expected to be despatched to the Shareholders on or before 7 December 2021 in accordance with the Listing Rules.

DEFINITIONS

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

“2021 Aggregated Service Annual Cap”	the aggregated annual cap for the value-added services to non-property owners, the community value-added services and other services that may be payable by Sundry Land Group to the Group pursuant to the Master Service Agreement for the year ending 31 December 2021
“2021 Property Management Annual Cap”	the annual cap for the property management services that may be payable by Sundry Land Group to the Group pursuant to the Master Property Management Agreement for the year ending 31 December 2021
“2021 Value-added Service Annual Cap”	the annual cap for the value-added services to non-property owners that may be payable by Sundry Land Group to the Group pursuant to the Master Service Agreement for the year ending 31 December 2021

“2022 Aggregated Service Annual Cap”	the aggregated annual cap for the value-added services to non-property owners, the community value-added services and other services that may be payable by Sundry Land Group to the Group pursuant to the Master Service Agreement for the year ending 31 December 2022
“2022 Property Management Annual Cap”	the annual cap for the property management services that may be payable by Sundry Land Group to the Group pursuant to the Master Property Management Agreement for the year ending 31 December 2022
“2022 Value-added Service Annual Cap”	the annual cap for the value-added services to non-property owners that may be payable by Sundry Land Group to the Group pursuant to the Master Service Agreement for the year ending 31 December 2022
“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 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 Supplemental Property Management Agreement, the Supplemental Service Agreement and the transactions contemplated thereunder (including the revised annual caps in relation thereto)
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board (which comprises Mr. Zhang Jingzhong, Mr. Xu Rongnian and Mr. Lau Kwok Fai Patrick, all being independent non-executive Directors) established to advise the Independent Shareholders with regard to the terms of the Supplemental Property Management agreement, the Supplemental Service Agreement and the transactions contemplated thereunder (including the revised annual caps in relation thereto)
“Independent Financial Adviser”	Jun Hui International Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the terms of the Supplemental Property Management Agreement, the Supplemental Service Agreement and the transactions contemplated thereunder (including the revised annual caps in relation thereto)
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the relevant resolutions at the EGM due to their material interests in the transactions contemplated under the Supplemental Property Management Agreement and the Supplemental Service Agreement (including the revised annual caps in relation thereto)
“independent third parties”	individuals or companies who or which are independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or their respective associates
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	18 January 2021, the date on which the Shares are listed and from which dealings therein are permitted to take place on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of 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 Sundy Land (for itself and as trustee for other members of the Sundy 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
“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 Zhizhonghe Master Agreement and the Yangguang Master Agreement
“Prospectus”	prospectus of the Company dated 31 December 2020
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“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
“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 (宋都和业有限公司), a company incorporated in the British Virgin Islands with limited liability on 21 March 2017, one of the Controlling Shareholders of the Company

“Sundy Holdings”	Zhejiang Sundy Holdings Co., Ltd.* (浙江宋都控股有限公司), a company established in the PRC with limited liability on 29 December 2006, which is wholly owned by Mr. Yu and is therefore a connected person 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 and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600077), an associate of Mr. Yu, and is therefore a connected person of the Company
“Sundy Land Group”	Sundy Land and its subsidiaries
“Sundy Yangguang Kindergarten”	Hangzhou Sundy Yangguang Kindergarten Co., Ltd.* (杭州宋都陽光幼兒園有限公司), a company established in the PRC with limited liability on 16 August 2018 and an associate of Mr. Yu, which is indirectly owned as to 40% by Heye Investment, a non-wholly owned subsidiary of Sundy Holdings, and the remaining 60% by independent third parties
“Supplemental Agreements”	the Supplemental Property Management Agreement and the Supplemental Service Agreement
“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 2021 Property Management Annual Cap and 2022 Property Management Annual Cap
“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 2021 Service Annual Cap, 2022 Service Annual Cap, 2021 Aggregated Service Annual Cap and 2022 Aggregated Service Annual Cap
“US\$”	United States dollars, the lawful currency of United States of America
“Yangguang Master 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 Sundy Yangguang Kindergarten in relation to provision of property management services

“Zhizhonghe Group”	Zhizhonghe Industry and its subsidiaries
“Zhizhonghe Industry”	Zhejiang Zhizhonghe Industry Co., Ltd.* (浙江致中和實業有限公司), a company established in the PRC with limited liability on 15 December 2010, an associate of Mr. Yu, and is therefore a connected person of the Company
“Zhizhonghe Master 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 Zhizhonghe Industry (for itself and as trustee for the benefit of other members of Zhizhonghe Group) in relation to provision of property management services
“%”	per cent.

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

Hong Kong, 16 November 2021

As at the date of this announcement, the Board comprises four executive Directors, Ms. Yu Yun (Chairman), Ms. Zhu Jin (Chief Executive Officer), Mr. Cheng Huayong and Mr. Zhu Yihua; and three independent non-executive Directors, Mr. Zhang Jingzhong, Mr. Xu Rongnian and Mr. Lau Kwok Fai Patrick.

* For identification purpose only