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SUNDOY 宋服務

臻 享 幸 福 +

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)

INSIDE INFORMATION
LITIGATION INVOLVING A SUBSIDIARY

This announcement is made by Sundy Service Group Co. Ltd (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) was informed that Hangzhou Sundy Property Management Co., Ltd.* (杭州宋都物業經營管理有限公司) (“**Sundy Property**”), a wholly-owned subsidiary of the Company, recently received a “Summons” ((2021) Zhe 0114 Min Chu No. 4641) issued by the Hangzhou Qiantang District People’s Court* (杭州市錢塘區人民法院) (the “**Court**”) attaching a “Civil Complaint” in relation to the claims made by the second property owners’ association (the “**Plaintiff**”) of Songdu Chenguang International Garden Community, Qiantang New District, Hangzhou* (杭州市錢塘新區宋都晨光國際花園小區) (the “**Property**”) against Sundy Property as the defendant for the alleged contractual disputes with details set out below (the “**Litigation**”).

The Plaintiff also obtained a property preservation order (the “**Preservation Order**”) from the Court to freeze the balance of a bank account of Sundy Property for a period of one year.

Pursuant to the Civil Complaint, the Plaintiff alleged that in March 2011, Sundy Property and the developer of the Property (the “**Developer**”) had entered into a preliminary property management agreement (the “**Preliminary Agreement**”), pursuant to which Sundy Property should provide property management services to the Property and the property management fees payable to Sundy Property should be exclusive of the public energy consumption costs required for the operation of the high energy consumption public utility facilities in the Property, and such public energy consumption costs should be apportioned to the property owners.

Pursuant to the Civil Complaint, the Plaintiff seeks for the following:

- (a) a court order for Sundy Property to return to the Plaintiff the alleged remaining balance of the said public energy consumption costs from March 2011 to August 2019 of approximately RMB25.4 million (being the alleged pre-charged amount less the alleged actual incurred amount) and the interest thereof of approximately RMB2.1 million, amounting to approximately RMB27.5 million in aggregate; and
- (b) Sundy Property shall bear the costs and expenses of the Preservation Order and the Litigation.

The first court hearing of the Litigation will be held on 24 January 2022. Sundy Property has been and is in the course of seeking legal advice in respect of the Litigation and will vigorously defend the Plaintiff's claims, reserve the rights to take legal action against the Plaintiff for any damages and use its best endeavours to safeguard the overall interests of the shareholders of the Company.

The Company believes that the Litigation and the Preservation Order will not have any material adverse effect on the Group and the business and operations of the Group remain normal. The Company will keep the shareholders and potential investors of the Company informed of any further material development by way of announcement as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

* *For identification purpose only*

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

Hong Kong, 21 January 2022

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.