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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**

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

**(Stock Code: 9608)**

## **MAJOR TRANSACTION**

### **(1) FURTHER SUBSCRIPTION OF CONVERTIBLE NOTES AND (2) THE SUBSCRIPTION AGREEMENT IN RELATION TO ACQUISITION OF LISTED SECURITIES**

#### **FURTHER SUBSCRIPTION OF CONVERTIBLE NOTES**

As the Previous Subscription had been fully paid, on 14 March 2024 (after trading hour), the Company (as the subscriber) entered into the Convertible Note Agreement in relation to the Further Subscription of Convertible Notes with Black Cat (as the issuer), pursuant to which the Company agreed to conditionally further subscribe for the Convertible Notes in an aggregate amount of AUD\$6.0 million (equivalent to approximately HK\$31.1 million) using the proceeds from the potential subscription of new shares under the General Mandate.

#### **THE SUBSCRIPTION AGREEMENT**

On 14 March 2024 (after trading hour), the Company entered into the Subscription Agreement in relation to conditionally acquire an aggregate of 133,333,334 Black Cat Shares at an aggregate consideration of AUD\$30.0 million (equivalent to approximately HK\$155.5 million) representing approximately 30.2% of the issued share capital of Black Cat at a price of AUD\$0.225 per Black Cat Share, using the proceeds from the potential subscription of new shares under the General Mandate.

#### **LISTING RULES IMPLICATIONS**

The Further Subscription, on a stand-alone basis, constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules since one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%.

The Subscription Agreement, on a stand-alone basis, constitutes a major transaction for the Company under Chapter 14 of the Listing Rules since one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 25% but less than 75%.

However, pursuant to the Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, the Previous Subscription, the Further Subscription and the Subscription Agreement constitute the transactions within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately AUD\$45.0 million (equivalent to approximately HK\$233.2 million).

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Subscription and the Subscription Agreement, when aggregated with the Previous Subscription in the preceding 12-month period, exceed 25% but all applicable percentage ratios are less than 75% and constitutes a major transaction under the Listing Rules, which are subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

**Completion of the Transactions is conditional upon the Shareholders' approval having been obtained. Accordingly, the Transactions may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the shares of the Company.**

## **FURTHER SUBSCRIPTION OF CONVERTIBLE NOTES**

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### **The Convertible Note Agreement**

The principle terms of the Convertible Note Agreement in relation to the Further Subscription of Convertible Notes are set out as follows:

- (1) Parties: The Company (as the subscriber); and  
Black Cat (as the issuer)
- (2) Issue Date: 14 March 2024 (after trading hours)
- (3) Principal amount: AUD\$6.0 million
- (4) Face Value: The Convertible Notes will be issued at the face value of AUD\$1.00 for each.
- (5) Maturity Date: 31 March 2027

Subject to the conversion rights to be exercised by the Company, Black Cat shall repay the outstanding principal amount of the Convertible Notes (the “**Total Outstanding Amount**”) prior to the Maturity Date without penalty by giving not less than 14 days’ notice in writing to the Company specifying the amount it intends to repay and the number of Convertible Notes it intends to cancel.

- (6) Interest rate: Interest will accrue at 10% per annum inclusive of interest withholding tax and will be calculated on the following basis:
- (a) accrue from day to day on the Face Value;
  - (b) be computed from and including the Issue Date until and including the day that is the earlier of:
    - i. the Redemption Date; and
    - ii. the Conversion Date;
  - (c) be calculated on the actual number of days elapsed on the basis of a 365 day year (or, if any portion of the interest period falls in a leap year, the sum of (i) the actual number of days in that portion of the interest period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the interest period falling in a non-leap year divided by 365);
  - (d) will capitalise at the end of each calendar month from the Issue Date until 30 April 2025; and
  - (e) then be due and payable on each Interest Payment Date.
- (7) Interest Payment Date: After 30 April 2025, the day that is five Business Days after the end of each calendar month until the earlier of:
- (a) the Redemption Date; or
  - (b) the Conversion Date.
- (8) Payment arrangement: The Company shall pay the principal amount to Black Cat by way of immediately available funds no later than 31 May 2024.

- (9) Conditions for the Further Subscription:
- (a) The Company has obligation to subscribe for, and Black Cat has obligation to issue, the Convertible Notes is subject to and conditional upon:
    - (i) Black Cat receiving the approval of its shareholders in general meeting on or before 30 April 2024 to the issue of the Convertible Notes in accordance with all applicable regulatory requirements.
    - (ii) the Company being satisfied that the representations and warranties made by Black Cat under the Further Subscription remain true, accurate and not misleading in all material respects.
    - (iii) all relevant approval and consents (including but not limited to approval from the PRC regulation authorities and completion of the Outbound Direct Investment (ODI) filing from the related PRC regulatory authorities) in relation hereto having been obtained by the Company and Black Cat.
    - (iv) the Further Subscription and the transactions contemplated hereunder have been approved by the Shareholders at the extraordinary general meeting of the Company in compliance with 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.
    - (v) Black Cat shall have complied with all the requirements under the ASX Listing Rules in connection with the Further Subscription.
  - (b) The Company and Black Cat will use their best endeavours to ensure all conditions precedent are fulfilled before 31 May 2024 (or such later date or time as may be agreed between the Company and Black Cat) (the “**End Date**”). Where the conditions precedent in clause (a) have not been satisfied by the End Date, all rights and obligations of the Company and Black Cat to the Further Subscription shall terminate and each party shall have no claim against the other, save and except for any antecedent breaches.

- (10) Conversion price: Upon the satisfaction of the Conversion Conditions, the Convertible Notes will convert into Conversion Shares in accordance with the following formula:

$$\text{Number of Conversion Shares} = \text{Convertible Notes} / \text{AUD}\$0.225$$

To the extent that the calculation results in the fraction of a Conversion Share, the number will be rounded down to the nearest whole number.

- (11) Conditions to conversion: Conversion of the Convertible Notes is subject to and conditional upon the satisfaction of the following conditions:

(a) the Company receiving confirmation from the Foreign Investment Review Board (FIRB) that it may acquire an equity interest in Black Cat or the Company confirming in writing to Black Cat that approval from FIRB for the conversion of the Convertible Notes is not required;

(b) the Company obtaining the Stock Exchange's approval for the conversion of the Convertible Notes or the Company confirming in writing to Black Cat that such approval is not required; and

(c) the Company obtaining its shareholder's approval for the conversion of the Convertible Notes or the Company confirming in writing to Black Cat that such approval is not required.

- (12) Ranking of Convertible Notes: The Convertible Notes rank in all respects equally with each other and without any preference among themselves.

- (13) Voting rights: Convertible Notes do not entitle the Company to have any right to vote at general meetings of Black Cat.

- (14) Redemption:
- (a) the Convertible Notes will be automatically redeemed on the Maturity Date if they have not been converted in accordance with the Subscription Agreement.
- (b) on the Maturity Date, Black Cat must pay to the Company the Total Amount Outstanding.

(c) if the Convertible Notes have not otherwise been converted, Black Cat must repay the Total Amount Outstanding to the Company within five business days after the Maturity Date, as applicable. Upon payment in full of the Total Amount Outstanding, the Convertible Notes shall be fully and forever cancelled.

- (15) Payment arrangement: Before 31 May 2024
- (16) Voluntary Escrow Restriction: The Company acknowledges and agrees that the Conversion Shares will be subject to voluntary escrow restriction until 30 September 2027.
- (17) Repayment: Black Cat shall be entitled to repay all or part of the Total Amount Outstanding to the Company prior to the Maturity Date without penalty by giving not less than 14 days' notice in writing to the Company specifying the amount it intends to repay and the number of Convertible Notes it intends to cancel.
- (18) Security: Unsecured

## **THE SUBSCRIPTION AGREEMENT**

On 14 March 2024 (after trading hour), the Company entered into the Subscription Agreement in relation to conditionally acquire an aggregate of 133,333,334 Black Cat Shares at an aggregate consideration of AUD\$30.0 million (equivalent to approximately HK\$155.5 million) representing approximately 30.2% of the issued share capital of Black Cat at a price of AUD\$0.225 per Black Cat Share, using the proceeds from the potential subscription of new shares under the General Mandate.

The principle terms of the Subscription Agreement are set out as follows:

- (1) Parties: The Company (as the subscriber); and  
Black Cat (as the issuer)
- (2) Satisfaction Date: before 15 August 2024, or such other date as mutually agreed between the Company and Black Cat
- (3) Subscription Date: the date that is ten Business Days from the date of satisfaction or waiver of the final Conditions Precedent before the Satisfaction Date, or such other date as may be mutually agreed between Black Cat and the Company.
- (4) Subscription Price: AUD\$30.0 million based on AUD\$0.225 per Subscription Share
- (5) Subscription Shares: 133,333,334 Black Cat Shares, to be paid for and issued to the Company

- (6) Conditions Precedent:
- (a) the Black Cat's shareholders approving by resolution the issue of the Subscription Shares to the Company (or its nominee) for the purposes of ASX Listing Rule 7.1 and section 611, item 7 of the Corporations Act and for all other purposes;
  - (b) the occurrence of one of the following:
    - (i) notice in writing being issued by or on behalf of the Treasurer to the effect that in accordance with the FIRB Act the Australian Commonwealth Government does not object to the Company being issued the Subscription Shares;
    - (ii) after the Company gives notice of the Company's intention to subscribe for the Subscription Shares to the Treasurer under section 26 of the FIRB Act, the Treasurer not making a decision under section 18 or an order under section 22 of the FIRB Act prohibiting the proposed acquisition within the period of 40 days after the date on which the Treasurer receives the notice; or
    - (iii) if the Treasurer makes an order under sections 18 or 22 of the FIRB Act, the Treasurer subsequently revoking that order;
  - (c) all relevant approval and consents (including but not limited to approval from the PRC regulatory authorities and completion of the Outward Direct Investment (ODI) filing from the related PRC regulation authorities) in relation to the Subscription Agreement having been obtained by Black Cat and the Company;
  - (d) Black Cat obtaining any other third-party approvals or consents required by Black Cat to complete its obligations under the Subscription Agreement, as determined by Black Cat acting reasonably;
  - (e) Black Cat complying with all the requirements under the ASX Listing Rules in connection with the Subscription Agreement;
  - (f) the Company delivering to Black Cat a signed counterpart of the Restriction Deed, to be held by Black Cat in escrow until completion of the Subscription;
  - (g) the Company being satisfied that the representations and warranties made by Black Cat under the Subscription Agreement remain true, accurate and not misleading in all material respects; and

- (h) the Subscription Agreement and the transactions contemplated hereunder have been approved by the Shareholders at the extraordinary general meeting of the Company in compliance with 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.
- (7) Voluntary Escrow Restriction: The Company acknowledges and agrees that the Subscription Shares will be subject to voluntary escrow restriction until 30 September 2027
- (8) Payment Arrangement: On or prior to 4:00 pm on the Subscription Date
- (9) Ranking: The Subscription Shares will be credited as fully paid and rank pari passu in all respects with all other Black Cat Shares on issue
- (10) Issue of Subscription Shares: Subject to the Company complying with its obligations of payments, following the receipt by Black Cat of the Subscription Price in cleared funds, Black Cat must immediately:
- (a) allot and issue the Subscription Shares to the Company;
  - (b) enter the Company in Black Cat's register of members as the holder of the Subscription Shares;
  - (c) send a holding statement in respect of the Subscription Shares to the Company in accordance with the applicable laws;
  - (d) apply to ASX for official quotation of the Subscription Shares in the same class and on the same terms as all other Shares quoted on ASX on the Subscription Date; and
  - (e) lodge with ASX a notice in accordance with section 708A(5)(e) of the Corporations Act, or if Black Cat is unable to comply with the requirements of section 708A(5) of the Corporations Act for any reason, the Company shall, at its own expense, do everything necessary to ensure the Subscription Shares so allotted are able to be freely traded on ASX in compliance with the requirements of the ASX Listing Rules and the Corporations Act, including, if considered necessary by the Investor, lodging a disclosure document with ASIC in accordance with Chapter 6D of the Corporations Act.
- (11) Completion: (a) completion of the Subscription does not occur, and shall be taken not to have occurred, unless and until all of the obligations of Black Cat and the Company of the conditions of payment and issue are performed; and



(b) if any obligation is not performed on the due date then, without prejudice to any other rights, any document delivered or payment made under the payment arrangement must be returned promptly that delivered such document or paid such amount.

(12) Board Nomination: Upon completion of the Subscription, the Company and Black Cat agree that the board of Black Cat shall be comprised as follow:

- (i) the board of Black Cat shall consist of six directors;
- (ii) the Company shall have the right to nominate two proposed directors to join the board of Black Cat, each of nominees to be of good fame and character, having applied for an Australian Director Identification Number and be appropriately skilled for serving as a director of listed company on ASX; and
- (iii) Black Cat will ensure that the number of non-independent directors does not exceed the number of independent directors.

Upon completion of the Subscription, the board structure of Black Cat may only be changed by the agreement in writing between the Company and Black Cat, both acting reasonably.

## **BASIS OF DETERMINATION OF THE CONSIDERATION**

The Company confirms that the consideration of the Transactions was determined based on normal commercial terms after arm's length negotiation between the Company and Black Cat with reference to (i) the internal resources of the Group available for the purpose of treasury management; (ii) the financial status of the Group; (iii) the expected investment return and terms of the Transactions; and (iv) the expected annualized rate of interest return of the Transactions; and as the Black Cat listed on ASX, the Directors have reviewed the prevailing prices in the open market and are of view that the terms of the are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY**

The Company is an investment holding company. The Group is an integrated property management service provider in Zhejiang province, 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.

## **INFORMATION ON BLACK CAT**

Black Cat is a company listed on the ASX (Stock code: BC8), which is principally engaged in the exploration for minerals and the economic evaluation of gold projects located in Western Australia.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Black Cat and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The following is the audited financial information, prepared in accordance with the Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards, for the years ended 30 June 2022 and 2023 extracted from the annual reports of Black Cat:

|                 | <b>For the years ended 30 June</b> |                  | <b>For the half<br/>year ended</b> |
|-----------------|------------------------------------|------------------|------------------------------------|
|                 | <b>2022</b>                        | <b>2023</b>      | <b>31 December</b>                 |
|                 | <i>AUD\$</i>                       | <i>AUD\$</i>     | <i>AUD\$</i>                       |
|                 | <i>(audited)</i>                   | <i>(audited)</i> | <i>(unaudited)</i>                 |
| Total revenue   | 1,089,642                          | 163,039          | 842,933                            |
| Loss before tax | (3,901,147)                        | (4,799,532)      | (1,749,039)                        |
| Loss after tax  | (3,901,147)                        | (4,799,532)      | (1,749,039)                        |

As at 31 December 2023, the total assets and total equity of Black Cat recorded AUD\$143.0 million and AUD\$100.0 million.

## **REASONS AND BENEFITS OF THE TRANSACTIONS**

The Group has been actively looking for business opportunities to maximize Shareholders' value while abiding to the internal investment policy (i.e. investment return) of the Group. In light of the current interest rate, the Convertible Notes bears interests at the rate of 10% per annum which is comparatively higher than the normal long-term saving interest rate in PRC and Hong Kong. Meanwhile, Further Subscription obtains stable and considerable interest cash inflows. Therefore, the Company believes that the fixed interest income generated from the Further Subscription will bring a stable source of cash inflow to the Group.

With the tightened regulations of real estate industry, the Group has been exploring diversified opportunities to expand the Group's revenue bases besides the existing businesses of property management service and related value-added services. Through acquiring Black Cat Shares, the Directors believed the potential risks of solely concentrating on the services related to the real estate industry will be mitigated and dispersed.

Having considered the reasons for and the benefits from the Transactions set out above, the Directors consider that the Transactions and the Transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better in the ordinary course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. The Company at present has no intention to convert Convertible Notes after completion of the Further Subscription together with the Previous Subscription. The conversion of the Convertible Notes will be in compliance with the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Subscription and the Subscription Agreement, when aggregated with the Previous Subscription in the preceding 12-month period, exceed 25% but all applicable percentage ratios are less than 75% and constitutes a major transaction under the Listing Rules, which are subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

**Completion of the Transactions is conditional upon the Shareholders' approval having been obtained. Accordingly, the Transactions may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

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

|                       |  |
|-----------------------|--|
| “AGM”                 | the annual general meeting of the Company held on 1 June 2023  |
| “AUD\$”               | Australian Dollar, the lawful currency of the Australia  |
| “ASIC”                | the Australian Securities and Investments Commission   |
| “ASX”                 | the Australian Securities Exchange   |
| “Black Cat”           | Black Cat Syndicate Ltd, incorporated in Australia and listed on ASX (Stock code: BC8)   |
| “Black Cat Share(s)”  | fully paid ordinary shares in the capital of Black Cat   |
| “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 Act (As Revised) of the Cayman Islands |
| “connected person(s)” | has the same meaning ascribed to it under the Listing Rules  |
| “Conversion”          | the Convertible Notes to be converted at the price of AUD\$0.225 per Convertible Share   |
| “Conversion Date”     | the date on which the Convertible Notes convert into Conversion Shares   |
| “Conversion Share(s)” | new shares to be issued upon exercise of the Conversion attaching to the Convertible Notes   |
| “Convertible Notes”   | the unsecured convertible notes issued by Black Cat at the face value of AUD\$1.00 for each  |
| “Corporations Act”    | the Corporations Act 2001 (Cth) published by the Australian government   |
| “Director(s)”         | the director(s) of the Company   |

|                          |   |
|--------------------------|---|
| “FIRB Act”               | the Foreign Acquisitions and Takeovers Act 1975 (Cth) published by ASIC   |
| “Further Subscription”   | the conditionally further subscription of the unsecured Convertible Notes by the Company on 14 March 2024 for the amount of AUD\$6.0 million (equivalent to approximately HK\$31.1 million)   |
| “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  |
| “Hong Kong”              | the Hong Kong Special Administrative Region of the PRC  |
| “Issue Date”             | the date that the Convertible Notes are issued by Black Cat to the Company  |
| “Listing Rules”          | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Maturity Date”          | 31 March 2027   |
| “PRC”                    | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan   |
| “Previous Subscription”  | the subscription of the unsecured Convertible Notes by the Company on 22 December 2023 for the amount of AUD\$9.0 million   |
| “Redemption Date”        | the date on which the Convertible Notes are redeemed  |
| “Restriction Deed”       | the deed to give effect to the Voluntary Escrow Restriction of the Subscription Agreement   |
| “Shareholder(s)”         | shareholder(s) of the Company   |
| “Subscription Agreement” | the subscription agreement entered by the Company and Black Cat on 14 March 2024 in relation to conditionally acquire an aggregate of 133,333,334 Black Cat Shares at an aggregate consideration of AUD\$30.0 million (equivalent to approximately HK\$155.5 million) |
| “Subscription Shares”    | 133,333,334 Black Cat Shares issued by Black Cat pursuant to the Subscription Agreement   |
| “Stock Exchange”         | the Stock Exchange of Hong Kong Limited   |
| “Transactions”           | the Further Subscription, together with the Subscription Agreement  |

“Treasurer” the Minister of the Australia's Treasury department

“%” per cent.

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

Hong Kong, 14 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, Mr. Huang Enze and Ms. Ye Qian.*