

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.



Greentown Service Group Co. Ltd.

綠城服務集團有限公司

(A company incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 2869)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION IN RELATION TO
ACQUISITION OF INTEREST IN ZHONG AO HOME GROUP LIMITED**

Reference is made to the announcement of Greentown Service Group Co. Ltd. (the “**Company**”) dated 23 June 2020 (the “**Announcement**”) in relation to, among other things, a discloseable transaction comprising of the Subscription and the Acquisitions. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information in relation to the information about Decision Holdings and the basis on which the Sale Price of HK\$1.80 per Zhong Ao Sale Shares was determined.

SUPPLEMENTAL INFORMATION ABOUT DECISION HOLDINGS

As disclosed in the Announcement, Decision Holdings is wholly-owned by Shanghai Hengji Assets Management Center (L.P.), a limited partnership registered under PRC laws, the general partner of which is Yidezhen, which is also a limited partnership registered under PRC laws. Yidezhen is managed by Shanghai Yubo Investment Management Company Limited, a limited liability company established in the PRC, which is a wholly-owned indirect subsidiary of Jupai Holdings Limited (“**Jupai Holdings**”).

Jupai Holdings is a company incorporated under the laws of the Cayman Islands, whose shares are listed on the New York Stock Exchange (Stock Code: JP). It is principally engaged in the provision of asset management and wealth management product advisory services.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as disclosed in the 2019 annual report of Jupai Holdings (“**Jupai Annual Report**”), as at 31 March 2020, the substantial shareholders of Jupai Holdings (being shareholders which beneficially own 10% or more of the total ordinary shares in Jupai Holdings (as disclosed in the Jupai Annual Report, in computing the number of shares beneficially owned by a person and the percentage ownership of that person, Jupai Holdings had included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security)) were E-House (China) Holdings Limited (“**E-House China**”), Mr. Tianxiang Hu, Mr. Jianda Ni and SINA Corporation, which/who beneficially owned approximately 21.7%, 15.9%, 13.1% and 10.8% of the total ordinary shares in Jupai Holdings, respectively.

E-House China is wholly-owned by E-House Holdings Ltd., which is in turn wholly-owned by Mr. Xin Zhou. Mr. Xin Zhou, therefore, beneficially owned 21.7% of the total ordinary shares in Jupai Holdings through its ownership of E-House China.

SINA Corporation is a company incorporated under the laws of the Cayman Islands, whose shares are listed on The NASDAQ Stock Market LLC (Stock Code: SINA). It is an online media company which is principally engaged in the provision of advertising and marketing services.

SUPPLEMENTAL INFORMATION IN RELATION TO THE SALE PRICE

As disclosed in the Announcement, the Sale Price of HK\$1.80 per Zhong Ao Sale Share for the First Acquisition and the Second Acquisition was determined after arm’s length negotiations between the Company and Central Oscar, and the Company and Decision Holdings, respectively. The Sale Price was determined with reference to the followings:

- (a) the financial performance of Zhong Ao as disclosed in the publicly available financial statements and announcements of Zhong Ao;
- (b) the relative market value of similar companies in the same sector;
- (c) the potential business synergy between the Group and the Zhong Ao Group; and
- (d) the valuation and analysis reports relating to Zhong Ao and the property service industry prepared by professional institutions.

The Directors noted that the Sale Price of HK\$1.80 was higher than the subscription price of HK\$0.98 per Zhong Ao Subscription Share for the Subscription (the “**Subscription Price**”) and the closing price of HK\$1.12 per Zhong Ao Share as quoted on the Stock Exchange on 23 June 2020 (the “**Market Price**”), being the date of the SPA I and the SPA II. However, on the basis of the above factors which have been taken into account for determining the Sale Price and the reasons as set out below, the Directors consider that the Sale Price, notwithstanding its difference with the Subscription Price and the Market Price, is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole:

- (i) the Directors understand that the price-to-earnings ratio of Zhong Ao calculated by using the Market Price is much lower than its industry comparables and competitors. Based on the financial performance and the potential growth of business of Zhong Ao, the price-to-earnings ratio as calculated by using the Sale Price of HK\$1.80 still represents a fair valuation of Zhong Ao as compared to its comparables in the industry sector;
- (ii) it is the Company’s intention to strengthen the cooperation between the Group and the Zhong Ao Group in the near future through acquiring further interest in Zhong Ao, which is expected to bring favourable development opportunities in relation to the business of the Group through the business synergy (the “**Strategic Plan**”). Pursuant to the Subscription, the Company had subscribed for 36,928,000 Zhong Ao Subscription Shares, representing approximately 4.32% of the total issued share capital of Zhong Ao as enlarged by the issue of the Zhong Ao Subscription Shares. Such number of Zhong Ao Subscription Shares was arrived at after arm’s length negotiations between the Company and Zhong Ao, after taking into account the intention of Zhong Ao and its shareholders to limit and minimize the dilution effect of the Subscription (in particular the intention of the largest shareholder of Zhong Ao, Qichang International Limited, to continue to hold an interest of not less than 51% of the total issued share capital of Zhong Ao immediately after the completion of the Subscription). Thus, in order to acquire further interest in Zhong Ao to facilitate the implementation of the Strategic Plan, the Company had to purchase the Zhong Ao Shares from existing shareholders of Zhong Ao;
- (iii) immediately prior to the Acquisitions, the Company held approximately 4.32% of the total issued share capital of Zhong Ao as a result of the Subscription. After completion of the acquisition of an additional of approximately 14.35% equity interest in Zhong Ao through the Acquisitions, the Company is expected to be interested in 159,571,300 Zhong Ao Shares, representing approximately 18.67% of the total issued share capital of Zhong Ao (assuming that there is no change to the issued share capital of Zhong Ao from the date of this announcement and up to the date of Completion), which will make the Company become a substantial shareholder of Zhong Ao, and Zhong Ao to be accounted for as an associate of the Company in the Company’s financial statements. Thus, the Acquisitions are expected to enable the Group to maximize its potential business synergy with the Zhong Ao Group; and

(iv) as disclosed in the 2019 annual report of Zhong Ao, as at 31 December 2019, approximately 71.43% of the total issued share capital of Zhong Ao was beneficially owned by three controlling/substantial shareholders, including Central Oscar and Decision Holdings, which held approximately 11.53% and 6.60% of the equity interest in Zhong Ao, respectively. In view of such shareholding structure of Zhong Ao and the public float requirement under Rule 13.32 of the Listing Rules, the Directors consider that it is impracticable to acquire such substantial amount of shareholdings in Zhong Ao from Zhong Ao's public shareholders on the market. Thus, the only practical option for the Company to acquire further interest in Zhong Ao within a relatively short period of time was through the Acquisitions from Zhong Ao's existing substantial shareholders, Central Oscar and Decision Holdings. In light of the aforesaid, the Directors consider that the premium in the Sale Price is acceptable and fair and reasonable and the Acquisitions are necessary and essential to enable the Group to implement the Strategic Plan with the Zhong Ao Group.

By Order of the Board
Greentown Service Group Co. Ltd.
LI Hairong
Chairman

Hangzhou, the PRC
29 June 2020

As at the date of this announcement, the executive Directors are Ms. LI Hairong (Chairman), Mr. YANG Zhangfa, Mr. WU Zhihua and Mr. CHEN Hao; the non-executive Directors are Mr. SHOU Bainian, Ms. XIA Yibo and Mr. WANG Guangjian; and the independent non-executive Directors are Mr. LI Feng, Mr. POON Chiu Kwok, Mr. WONG Ka Yi and Ms. WU Aiping.