

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.



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)

VARIATION OF THE TERMS OF PREVIOUSLY ANNOUNCED DISCLOSEABLE TRANSACTION — AMENDMENTS TO THE TERMS AND CONDITIONS OF THE RESTATED NOTE

This announcement is made in accordance with Rule 14.36 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References are made to the announcements of Greentown Service Group Co. Ltd. (the “**Company**”) dated 29 October 2017, 2 November 2018 and 8 November 2018, respectively. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the aforementioned announcements of the Company.

BACKGROUND

On 27 October 2017, the Company and China CVS entered into the Convertible Note Purchase Agreement, pursuant to which the Company agreed to purchase the Convertible Promissory Note in the principal amount of US\$54,000,000 issued by China CVS. The principal terms and conditions of the Convertible Promissory Note were set out in the announcement of the Company dated 29 October 2017.

On 2 November 2018, China CVS issued the Restated Note to the Company (the “**Restated Note**”), which substituted the Convertible Promissory Note in its entirety, and the Company accepted certain substantial amendments to the terms and conditions to the Convertible Promissory Note. Such amendments to the terms and conditions of the Convertible Promissory Note and as applicable to the Restated Note were set out in the announcements of the Company dated 2 November 2018 and 8 November 2018.

As at the date of this announcement, the aggregate outstanding principal amount of the Restated Note amounts to US\$54,000,000.

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE RESTATED NOTE

The Board hereby announces that on 26 October 2022, the Company and China CVS agreed that China CVS shall execute a deed of modification (the “**Deed of Modification**”), such that the Restated Note shall be amended to be read and construed as amended by the Deed of Modification.

Pursuant to the Deed of Modification, the terms and conditions of the Restated Note shall be amended as follows:

- (i) the maturity date shall be amended to the date falling on the third anniversary of the date of the closing of the sale and purchase of the Convertible Promissory Note, subject to an automatic extension of an additional forty eight (48) months (the “**Extension**”). Pursuant to the Extension, in the event the maturity date is automatically extended, the maturity date shall fall on 26 October 2024 (the “**Extended Maturity Date**”);
- (ii) the Conversion Period shall be amended to the effect that it shall expire on the Extended Maturity Date; and
- (iii) the per share conversion price shall be amended such that it shall be determined based on the valuation prepared by an independent valuer mutually acceptable by all the shareholders of China CVS (including the Company).

Save for the above, all other terms and conditions of the Restated Note shall remain unchanged and are in full force and effect.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, no connected person of the Company is involved in entering into in the Restated Note.

REASONS FOR AND BENEFITS OF THE EXTENSION

The Restated Note will, but for the Extension, mature on 26 October 2022 (the “**Initial Maturity Date**”), upon which China CVS would be required to deploy its cash reserves to redeem the Restated Note. Given the results of operations of China CVS as a result of the changes in the industry environment and the repeated impact of COVID-19, it is expected that China CVS may not be able to repay the amounts under the Restated Note on or before the Initial Maturity Date.

After discussion with China CVS, the Board is of the view that the Extension provides the Company with more time to evaluate its options under the Restated Note and to take into consideration the equity valuation of China CVS and its operating condition. At the same time, it will also provide China CVS with more time to refinance its debts under the Restated Note, which is dependent on its actual business and operating conditions, or to provide other effective repayment options to the Company.

Therefore, on the whole, the Extension provides China CVS and the Company with flexibility regarding negotiation of the detailed terms of conversion of the Restated Note and allowing time for the settlement by China CVS of the unpaid amounts under the Restated Note.

Given the above, the Directors consider that the terms and conditions of the Extension are fair and reasonable and that the Extension is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company

The Company and its subsidiaries is a leading high-end residential property service provider in China with a diversified service portfolio comprising property service, community living service, consulting service and technology service.

Information of China CVS

China CVS is an investment holding company, the incorporation of which was for the purpose of acquiring and holding the equity interest in Idea Thrive Limited, a Beijing-based convenience store chain under the brand name of “Hao Lin Ju” (好鄰居) with more than 20 years’ history.

LISTING RULES IMPLICATIONS

Reference is made to the announcement of the Company dated 8 November 2018. Pursuant to the Disposal and as at the date of this announcement, the Company is interested in approximately 8% of the shares in China CVS. As such, following the Disposal, China CVS ceased to be an affiliated company of the Company (as defined under Rule 13.11(2) of the Listing Rules) and the equity interest in China CVS held by the Company was accounted for as fair value through profit or loss in the Group’s financial statements.

The transactions contemplated under the Restated Note constitute discloseable transactions of the Company as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the provision of the US\$54,000,000 principal amount for the purchase of the Convertible Promissory Note exceed 5% but are less than 25%. This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules to provide its shareholders and investors with updates on the Restated Note.

By Order of the Board
Greentown Service Group Co. Ltd.
YANG Zhangfa
Chairman

Hangzhou, the PRC
26 October 2022

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