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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 —
FURTHER 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, 8 November 2018 and 26 October 2022, 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, 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 as applicable to the Restated Note were set out in the announcements of the Company dated 2 November 2018 and 8 November 2018, respectively.

On 26 October 2022, the Company and China CVS agreed to amend the terms and conditions of the Restated Note pursuant to the Deed of Modification executed by China CVS, which extended the maturity date of the Restated Note to 26 October 2024 and amended the per share conversion price. Details of such amendments to the terms and conditions of the Restated Note were set out in the announcement of the Company dated 26 October 2022.

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

FURTHER AMENDMENTS TO THE TERMS AND CONDITIONS OF THE RESTATED NOTE

The Board hereby announces that on 25 October 2024, the Company and China CVS agreed that China CVS shall execute a second deed of modification (the “**Second Deed of Modification**”), such that the Restated Note (as amended by the Deed of Modification) shall be further amended to be read and construed as further amended by the Second Deed of Modification. The Second Deed of Modification was executed on 25 October 2024.

Pursuant to the Second Deed of Modification, the terms and conditions of the Restated Note (as amended by the Deed of Modification) shall be further 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 seventy-two (72) months (the “**Second Extension**”). Pursuant to the Second Extension, in the event the maturity date is automatically extended, the maturity date shall fall on 26 October 2026 (the “**Second Extended Maturity Date**”); and
- (ii) the Conversion Period shall be amended to the effect that it shall expire on the Second Extended Maturity Date.

Save for the above, all other terms and conditions of the Restated Note (as amended by the Deed of Modification) 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 the Restated Note.

REASONS FOR AND BENEFITS OF THE SECOND EXTENSION

The Restated Note (as amended by the Deed of Modification) will, but for the Second Extension, mature on 26 October 2024 (the “**First Extended Maturity Date**”), upon which China CVS would be required to deploy its cash reserves to redeem the Restated Note. Due to changes in the overall domestic economic situation and industry environment, the business recovery and financing progress of China CVS are not as expected, and it is expected that China CVS may not be able to repay the amounts under the Restated Note on or before the First Extended Maturity Date.

After discussion with China CVS, the Board is of the view that the Second 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 give China CVS more time to improve its operating condition and refinance its debt under the Restated Note or provide other effective repayment options to the Company.

Given the challenge the Company confronted at the time, along with the prevailing circumstances and options at hand for consideration, the Board considered that the terms and conditions of the Second Deed of Modification are fair and reasonable and that the Second Extension is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company

The Group 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 services.

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 principal amount of US\$54,000,000 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

25 October 2024

As at the date of this announcement, the executive Directors are Mr. YANG Zhangfa (Chairman), Ms. JIN Keli and Mr. CHEN Hao; the non-executive Directors are Mr. SHOU Bainian, Ms. XIA Yibo, Ms. LI Hairong and Mr. LIU Xingwei; and the independent non-executive Directors are Mr. POON Chiu Kwok, Mr. WONG Ka Yi, Mr. LI Feng and Mr. JIA Shenghua.