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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)

INSIDE INFORMATION FURTHER UPDATES ON LEGAL PROCEEDINGS

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

References are made to the announcements of the Company dated 19 July 2022 and 20 October 2022 (the “**Announcements**”) in relation to the legal proceedings involving Greentown Real Estate Consulting Co., Ltd.* (綠城房地產諮詢集團有限公司) (a wholly owned subsidiary of the Company), the case no. of the legal proceedings being (2022)滬 01 民初 77 號 (the “**Legal Proceedings**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

On 21 March 2023, the Group noted from the attorney of the Legal Proceedings that a judgment from the Shanghai First Intermediate People’s Court* (上海市第一中級人民法院) (the “**First Instance Judgment**” or the “**Judgment**”) in relation to the Legal Proceedings was handed down, which stated that:

- (1) the Lease Agreement and its supplementary agreement between the Plaintiff and the First Defendant were terminated on 23 September 2021;
- (2) the First Defendant shall pay the unpaid rent of RMB41,045,978.90 to the Plaintiff within 10 days after the date of the Judgment;

- (3) the First Defendant shall pay RMB1,812,056.99 for the unpaid parking space rental to the Plaintiff within 10 days from the date of the Judgment;
- (4) the First Defendant shall pay RMB601,408.95 for energy and water and electricity charges to the Plaintiff within 10 days from the date of the Judgment;
- (5) the First Defendant shall pay RMB573,935.85 for usage of the premises for the period between 24 September 2021 and 28 September 2021 to the Plaintiff within 10 days from the date of the Judgment;
- (6) the First Defendant shall pay RMB17,686,416.25 for usage of the premises for the period between 29 September 2021 and 30 September 2022 to the Plaintiff within 10 days from the date of the Judgment;
- (7) the First Defendant shall pay RMB104,245.48 for the fees for the use of the leased parking space for the period between 24 September 2021 and 31 December 2021 to the Plaintiff within 10 days from the date of the Judgment;
- (8) the First Defendant shall pay RMB764,498.43, representing the property management fee for the period between 1 October 2021 and 30 April 2022 and the parking space management fee for the period between 1 October 2021 and 31 December 2021, to the Plaintiff within 10 days from the date of the Judgment;
- (9) the First Defendant shall pay RMB 27,844,258.64 for the rent during the rent-free period to the Plaintiff within 10 days from the date of the Judgment;
- (10) the First Defendant shall pay RMB 979,330 for the parking space rental fee during the lease-free period to the Plaintiff within 10 days from the date of the Judgment;
- (11) the First Defendant shall pay the liquidated damages of RMB7,768,886.32 for the termination of the contract to the Plaintiff within 10 days after the date of the Judgment;
- (12) the First Defendant shall, within 10 days from the date of the Judgment, pay the Plaintiff the overdue payment of the house and parking space rental fee from 20 July 2021 to the actual date of repayment. The interest rate in relation to the principal of RMB42,858,035.89 shall be calculated at four times of the loan market quoted interest rate published by the National Interbank Lending Center for the same period;
- (13) the First Defendant shall, within 10 days from the effective date of the Judgment, pay the Plaintiff the liquidated damages for overdue payment of the deposit from 20 July 2021 to 23 September 2021, and the interest rate in relation to the principal of RMB 10,474,329.27 shall be calculated at four times of the loan market quoted interest rate published by the National Interbank Lending Center for the same period;
- (14) the lease deposit of RMB1,179,000.21 paid by the First Defendant shall belong to the Plaintiff from the date of the Judgment;

(15) Greentown Consulting shall assume joint and several liability for the payment obligations identified in paragraphs (2) to (13) above; and

(16) the Plaintiff's remaining claims shall be dismissed.

If neither of the parties appeals, the Judgment of the First Instance shall take effect after 15 days from the date of service (the “**Deadline**”). After communication and discussion with our legal adviser, the Company believes that the facts of this case are complex (during this period, the pandemic control and the Plaintiff was taken over by the China Banking and Insurance Regulatory Commission, etc.), and the finding of facts in the First Instance Judgment and the application of the law was wrong. The Company in the process of appointing the legal adviser to file an appeal against the First Instance Judgment before the Deadline. Although the Company is still conducting analysis and research with its legal adviser on the First Instance Judgment and is in the course of formulating its litigation strategies, the Company believes that the Legal Proceedings is not expected to materially affect the normal operations of the Group. The Legal Proceedings have not been finally adjudicated, there still exists considerable uncertainty. The Company will continue to monitor the Legal Proceedings and continue its assessment of the impact of the Legal Proceedings on the Group.

Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules to keep its Shareholders and potential investors informed of any further material development of the Legal Proceedings.

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

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

Hangzhou, the PRC
21 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. YANG Zhangfa (Chairman), Ms. JIN Keli 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.

