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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)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE PROPOSED DISPOSAL OF
EQUITY INTEREST IN MAG**

THE DISPOSAL AND BUYBACK

On 8 November 2024 (after trading hours), the Vendor (an indirect wholly owned subsidiary of the Company) and the Purchaser (as trustee for the Montessori Academy Trust) entered into the Share Sale Deed, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares, representing approximately 11.64% of the issued share capital of MAG, for the Consideration of AUD16.2 million. On the same day, pursuant to the Share Sale Deed, as part of the Disposal, the Vendor and MAG entered into the Buyback Agreement, pursuant to which the Vendor agreed to sell and MAG agreed to acquire the Buyback Shares, representing approximately 10.78% of the issued share capital of MAG, for the Buyback Price of AUD15.0 million. The Disposal and Buyback are inter-conditional upon each other.

Upon completion of the Disposal and Buyback, the Vendor will hold approximately 35% of the then issued share capital of MAG and MAG will cease to be a subsidiary of the Company and the financial results of MAG will no longer be consolidated into the financial statements of the Group.

Upon completion of the Disposal and Buyback, the Vendor, CCA, Charles Peter Assaf and the Company will enter into the Put and Call Option Deed, pursuant to which CCA will grant to the Vendor a put option to require CCA (or its nominee or a combination of MAG and CCA or its nominee) to purchase the Option Shares and the Vendor will grant to CCA a call option to sell the Option Shares to CCA (or its nominee or a combination of MAG and CCA or its nominee), subject to the terms and conditions of the Put and Call Option Deed.

IMPLICATIONS UNDER THE LISTING RULES

Since (i) the Transactions are all related to the disposal of equity interest in MAG by the Vendor; and (ii) the execution of the Buyback Agreement is one of the conditions precedent of the Disposal Completion and the Disposal and Buyback are inter-conditional upon each other, the Transactions shall be aggregated as a series of transactions in accordance with Rule 14.22 under the Listing Rules.

Under Rule 14.74 of the Listing Rules, the grant of the Call Option (the exercise of which is not at the discretion of the Group) shall be treated as if the Call Option had been exercised. Both the Exercise Price and the premium of the Call Option have been taken into account for the purpose of determining the applicable percentage ratios under the Chapter 14 of the Listing Rules.

As one or more of the highest percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) applicable to the Company in respect of (i) the Disposal together with the Buyback; and (ii) the entering into of the Put and Call Option Deed (either on a stand-alone or aggregate basis) exceeds 5% but is less than 25%. Therefore, the Transactions constitute discloseable transactions of the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser holds approximately 21.92% of the issued share capital of MAG and is a substantial shareholder of MAG, and hence is a connected person of the Company at the subsidiary level. Therefore, the Disposal together with the Buyback also constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that (i) upon completion of the Disposal and Buyback, MAG will cease to be a subsidiary of the Company and CCA will then cease to be a connected person of the Company; and (ii) the Put and Call Option Deed will only be entered into upon completion of the Disposal and Buyback, the entering into of the Put and Call Option Deed will not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) the Purchaser is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Disposal and Buyback; and (iii) the independent non-executive Directors have confirmed that the terms of the Disposal and Buyback are fair and reasonable, the Disposal and Buyback are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Disposal and Buyback are exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Board has approved the Transaction Documents and the transactions contemplated thereunder. None of the Directors has any material interest in the Transaction Documents and the transactions contemplated thereunder or is required to abstain from voting on the relevant board resolutions to approve the same.

Completion of the Disposal and Buyback is subject to the satisfaction of the respective conditions precedent under the Share Sale Deed and the Buyback Agreement and therefore, the Disposal and Buyback may or may not materialise. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL AND BUYBACK

On 8 November 2024 (after trading hours), the Vendor (an indirect wholly owned subsidiary of the Company) and the Purchaser (as trustee for the Montessori Academy Trust) entered into the Share Sale Deed, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares, representing approximately 11.64% of the issued share capital of MAG, for the Consideration of AUD16.2 million. On the same day, pursuant to the Share Sale Deed, as part of the Disposal, the Vendor and MAG entered into the Buyback Agreement, pursuant to which the Vendor agreed to sell and MAG agreed to acquire the Buyback Shares, representing approximately 10.78% of the issued share capital of MAG, for the Buyback Price of AUD15.0 million. Upon completion of the Disposal and Buyback, the Vendor will hold approximately 35% of the then issued share capital of MAG and MAG will cease to be a subsidiary of the Company and the financial results of MAG will no longer be consolidated into the financial statements of the Group.

The Share Sale Deed

The major terms of the Share Sale Deed are summarised below:

Date: 8 November 2024 (after trading hours)

Parties: (1) the Purchaser (as trustee for the Montessori Academy Trust)
(2) the Vendor

Equity interest to be disposed of

Subject to the terms and conditions of the Share Sale Deed, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares, representing approximately 11.64% of the equity interest in MAG.

Consideration

The Consideration is AUD16.2 million. On the Disposal Completion, the Purchaser must pay the Consideration to the Vendor.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, with reference to, among other things:

- (i) based on MAG's scale and development (with a revenue of approximately AUD125.0 million as set out in the audited consolidated financial statements of MAG for the year ended 31 December 2023) and the following criteria were used to select comparable transactions in the early childhood education industry in Australia: (1) similar equity acquisitions or initial public offering events of which information is publicly available; and (2) enterprise value ("EV") ranging between approximately AUD100.0 million and AUD300.0 million. Based on these criteria, the five most recent comparable transactions were selected, the average EV/EBITDA multiple is 7.8 and the median EV/EBITDA multiple is 8.0. Among the selected comparable transactions, one of which is a public listing transaction of an Australian company in October 2023, with an EV/EBITDA multiple of 8.0. Considering MAG's expected EBITDA in 2024 and its existing interest-bearing debt, after arm's length negotiations of the parties based on the market comparable transactions, they agreed that the total EV of MAG should be approximately AUD245.0 million, corresponding to an EBITDA multiple of 9.4;
- (ii) the operating liabilities, business development and future prospects of the MAG Group; and
- (iii) other factors such as the Purchaser being an existing shareholder of MAG which was considered to have a lower risk of non-performance of the obligations under the Share Sale Deed and the Buyback Agreement as compared to other third party in light of the established relationship between the Vendor and the Purchaser.

Although no independent valuation in relation to the Sale Shares has been conducted by an independent valuer, based on above factors, the Board is of the view that the Consideration is fair and reasonable.

Conditions precedent

Unless waived pursuant to the Share Sale Deed, the Disposal Completion is subject to the fulfilment of the following conditions:

1. the relevant counterparty/ies under each of the property leases have consented in writing to the transactions contemplated by the Share Sale Deed, the Buyback Agreement and the Put and Call Option Deed, either unconditionally or from certain landlord, head lessor, sub lessor or licensor (as applicable) of those property leases, subject to the terms and conditions of the Share Sale Deed;
2. the Purchaser (or another member of the Purchaser's group) has entered into binding agreements for the provision of finance in connection with the acquisition of the Sale Shares and all conditions to draw down under those agreements (other than those which can only be satisfied on Disposal Completion) have been satisfied or waived;

3. MAG has entered into binding agreements for the provision of finance in connection with the refinancing of the MAG Group (including the repayment of the Vendor Loans and other matters) in an amount of not less than AUD138.5 million and all conditions to draw down under those agreements (other than those which can only be satisfied on Disposal Completion) have been satisfied or waived;
4. each of the following occurs:
 - (a) MAG has lodged notice to ASIC of the Buyback details on Form 280 (and Form 281 if applicable) together with all necessary accompanying documentation including:
 - (1) notice of relevant meetings or written resolutions;
 - (2) the accompanying circular setting out all information known to MAG that is material to the decision how to vote on the resolution; and
 - (3) the terms of the Buyback Agreement,

in accordance with Part 2J.1 of the Corporations Act 2001 (Cth) and such documentation being registered as lodged in ASIC records and at least 14 days have elapsed since such lodgement (the “**Buyback Filing Condition**”);
 - (b) no creditor of MAG (excluding any shareholder of MAG and any member of the Vendor’s group) has expressed a concern relating to the Buyback Agreement or the Buyback and ASIC has not expressed any concern or imposed any restriction on the Buyback Agreement or the Buyback each within 14 days after the Buyback Filing Condition Satisfaction Date;
 - (c) all necessary approvals of the shareholders of MAG are obtained in relation to the transactions contemplated by the Transaction Documents and the adoption of the New Constitution, including:
 - (1) the necessary shareholder approvals;
 - (2) any necessary class approvals or consents, and
 - (d) the parties to the Buyback Agreement have exchanged duly executed counterparts (which subject to applicable law may be in hard copy or electronic form) of the Buyback Agreement in accordance with Part 2J.3 of the Corporations Act 2001 (Cth); and
5. the Vendor has entered into and delivered to MAG (with a copy to the Purchaser) a deed of release in respect of the Vendor Loans and the associated security granted in favour of the Vendor where the releases are effective upon repayment of the Vendor Loans and otherwise on terms satisfactory to the Purchaser (acting reasonably).

All the above conditions precedent shall be satisfied or waived on or before 31 December 2024.

The Buyback Agreement

The major terms of the Buyback Agreement are summarised below:

Date: 8 November 2024 (after trading hours)

Parties: (1) MAG
(2) the Vendor

Equity interest to be disposed of

Subject to the terms and conditions of the Buyback Agreement, the Vendor agreed to sell, and MAG agreed to purchase, the Buyback Shares, representing approximately 10.78% of the issued share capital of MAG.

Buyback Price

The Buyback Price of the Buyback Shares is AUD15.0 million.

The Buyback Price was determined after arm's length negotiations between MAG and the Vendor, with reference to same factors for the determination of the Consideration. The Buyback Price for each Buyback Share is the same as the Consideration for each Sale Share.

Although no independent valuation in relation to the Buyback Shares has been conducted by an independent valuer, based on above factors set out for the determination of the Consideration, the Board is of the view that the Buyback Price is fair and reasonable.

Conditions precedent

Unless waived pursuant to the Buyback Agreement, completion of the Buyback is subject to the fulfilment of the following conditions:

1. MAG has received shareholder approval by way of a written resolution or a resolution at a general meeting of MAG for the Buyback in accordance with section 257D (1) of the Corporations Act 2001 (Cth); and
2. as at the date 14 days following the date on which MAG notifies (or notified) ASIC, in writing, of its intention to conduct the Buyback by lodging ASIC Form 280 (together with all necessary accompanying documentation required to be lodged together therewith), and provided that at that time no creditor of MAG (other than any shareholder of MAG or any member of the Vendor's group) has expressed a concern relating to the Buyback Agreement or Buyback, and ASIC has not expressed any concern or imposed any restriction on the Buyback Agreement or the Buyback that would prevent the completion of the Buyback occurring.

The Disposal and Buyback are inter-conditional upon each other.

Completion of the Disposal and Buyback

The table below sets out the shareholding structure of MAG as at the date of this announcement and immediately after completion of the Disposal and Buyback:

Name of shareholder	As at the date of this announcement		Immediately after completion of the Disposal and Buyback	
	<i>Number of shares</i>	<i>Approximate percentage of the total issued share capital of MAG (%)</i>	<i>Number of shares</i>	<i>Approximate percentage of the total issued share capital of MAG (%)</i>
The Vendor	5,600,349	53.90	3,271,757	35.00
Management Shareholder	389,500	3.75	467,394	5.00
The Purchaser	2,277,597	21.92	3,486,674	37.30
CCA Investment Group Pty. Limited	<u>2,122,054</u>	<u>20.43</u>	<u>2,122,054</u>	<u>22.70</u>
Total	<u>10,389,500</u>	<u>100.00</u>	<u>9,347,879</u>	<u>100.00</u>

Upon completion of the Disposal and Buyback, the Vendor will hold approximately 35% of the issued share capital of MAG and MAG will cease to be a subsidiary of the Company and the financial information of MAG will no longer be consolidated into the financial statements of the Group.

PUT AND CALL OPTION DEED

Upon completion of the Disposal and Buyback, the Vendor, CCA, Charles Peter Assaf and the Company will enter into the Put and Call Option Deed, pursuant to which CCA will grant to the Vendor a put option to require CCA (or its nominee or a combination of MAG and CCA or its nominee) to purchase the Option Shares (the “**Put Option**”) and the Vendor will grant to CCA a call option to sell the Option Shares to CCA (or its nominee or a combination of MAG and CCA or its nominee) (the “**Call Option**”), subject to the terms and conditions of the Put and Call Option Deed.

Put Option

Pursuant to the Put and Call Option Deed, CCA will irrevocably grant to the Vendor the right (by way of irrevocable offer) to require CCA (or CCA’s nominee or a combination of MAG and CCA or CCA’s nominee) to purchase the Option Shares at the Exercise Price and subject to the terms and conditions of the Put and Call Option Deed. The consideration for the Put Option is AUD1.

The Vendor may only exercise the Put Option at any time within the period of 120 days commencing on the date immediately following the date three years and one calendar month following the date of the Put and Call Option Deed (the “**Put Option Exercise Period**”).

Call Option

Pursuant to the Put and Call Option Deed, the Vendor will irrevocably grant to CCA the right (by way of irrevocable offer) to require the Vendor to sell the Option Shares to CCA (or its nominee or a combination of MAG and CCA or its nominee) at the Exercise Price. The consideration for the Call Option is AUD1.

CCA may only exercise the Call Option if the Put Option is not exercised, at any time within the period of 120 days commencing on the date immediately following the end of the Put Option Exercise Period (the “**Call Option Exercise Period**”).

Option Shares

The Option Shares includes:

- (i) 3,271,757 of Class “A1” ordinary shares in the share capital of MAG, representing approximately 31.49% of the equity interest in MAG as at the date of this announcement;
- (ii) any other shares in the share capital of MAG that the Vendor may receive, be issued or acquire at any time following the later of the completion of the Disposal or the Buyback; and
- (iii) any other shares in the share capital of MAG that the Vendor may acquire pursuant to any accretions, rights, benefits or entitlements of whatever kind at any time following the later of the completion of the Disposal or the Buyback.

Exercise Price and premium

The Exercise Price is an amount equal to AUD62,160,000 plus the aggregate subscription price (the “**Additional Subscription Price**”) paid by the Group for any Option Shares acquired by the Group following the date of the Put and Call Option Deed, and the Additional Subscription Price will not in any event exceed AUD177,600,000. Thus, the maximum exercise price payable shall be AUD239,760,000. The premium for each of the Put Option and Call Option is AUD1.

The Exercise Price was determined after arm’s length negotiations among the Group, CCA and Charles Peter Assaf, with reference to same factors for the determination of the Consideration, as well as the reasonable cost of capital.

Although no independent valuation in relation to the Option Shares has been conducted by an independent valuer, based on above factors for the determination of the Exercise Price, the Board is of the view that the Exercise Price is fair and reasonable.

Guarantee

Charles Peter Assaf will unconditionally and irrevocably guarantee to the Vendor the due and punctual performance of CCA's obligations pursuant to the Put and Call Option Deed and any notices or elections made pursuant to the Put and Call Option Deed (including the CCA's obligation to procure that its nominee or MAG perform any obligation). As a separate and additional liability, Charles Peter Assaf will indemnify the Vendor against any loss suffered or incurred by the Vendor arising from any default or delay in the due and punctual performance of CCA's obligations pursuant to the Put and Call Option Deed.

The Company will unconditionally and irrevocably guarantee to CCA the due and punctual performance of the Vendor's obligations under the Put and Call Option Deed. As a separate and additional liability, the Company will indemnify CCA against any loss suffered or incurred by CCA arising from any default or delay in the due and punctual performance of the Vendor's obligations under the Put and Call Option Deed.

AMENDING DEED

The Amending Deed will be entered into by the parties to the Existing Shareholders Deed at the Disposal Completion to amend certain terms of the Existing Shareholders Deed (the principal terms of which were disclosed in the announcement published by the Company on 29 March 2019 (the "**Previous Announcement**")) regulating the management of MAG and their relationship with each other as shareholders. The principal amendments to the terms of the Existing Shareholders Deeds pursuant to the Amending Deed are summarized as below:

Appointment of Directors

Subject to the Existing Shareholders Deed, the Assaf Shareholders may appoint up to three directors to the board of directors of MAG from time to time (each, the "**Assaf Director**") and may remove or substitute any director appointed. The Assaf Shareholders' initial appointees are Charles Peter Assaf and Colette Assaf. The third person is to be notified by the Assaf Shareholders to the Vendor prior to the date of the Amending Deed. The Vendor may appoint up to two directors to the board of directors of MAG (the "**Vendor Director**") from time to time and may remove or substitute any director appointed.

The chair (the "**Chair**") of the board of directors of MAG will be appointed by the board of directors of MAG. As at the date of the Amending Deed, the Chair appointed is Charles Peter Assaf. The quorum for any meeting of the board of directors of MAG in respect of any matter required to be passed to implement completion under the Put and Call Option Deed or which occurs following exercise of the Put Option or Call Option and which is conditional upon completion under the Put and Call Option occurring, shall be any two directors of MAG, of which at least one must be an Assaf Director.

Emergency funding

If an Emergency Funding Event occurs:

1. MAG must use commercially reasonable endeavours, in light of the nature of the Emergency Funding Event and the time available to respond to it, to consider debt and other funding alternatives which do not require the issue of securities to cure the Emergency Funding Event;
2. if MAG cannot overcome the Emergency Funding Event within the time reasonably available to it, the board of directors must notify the shareholders of that fact, and one or more Assaf Shareholders may elect by notice in writing to MAG to subscribe for new securities at an issue price per security determined by such Assaf Shareholders acting reasonably in consultation with the board of directors, having regard to the earnings, assets, liabilities and prospects of the MAG Group and the previous issue prices of securities;
3. subject to receiving the Assaf Shareholders' election, MAG must issue the securities immediately on receipt of the issue price from the relevant Assaf Shareholders; and
4. promptly following any issue of securities, MAG will give a written notice to the Vendor offering the Vendor the opportunity to subscribe, or acquire from the Assaf Shareholders who subscribed for the new shares (as the Assaf Shareholders elect in their discretion (including as to from which Assaf Shareholder(s) the securities shall be acquired, if applicable)), securities:
 - (a) of the same class and type (and, if the Assaf Shareholders elect to require that the Vendor acquires securities from it, at the same price per security as the price paid by the relevant Assaf Shareholder(s), and otherwise at the same price and on the same terms per security as the price and terms on which the Assaf Shareholders subscribed for the Securities) as the shareholder would have been entitled to subscribe for; and
 - (b) in the number(s) which would result in the Vendor (if it chose to accept the offer in full) having the same respective proportion as it had prior to the Assaf Shareholders subscribing for securities.

Reserved matters requiring approval

MAG must not do, and must procure that none of its subsidiaries do, any of the reserved matters set out in the Existing Shareholders Deed without Required Approval, including, among other things:

- (a) adopting as the budget for the financial year the draft budget presented to the board of directors by MAG;

- (b) issue or grant any securities of MAG other than (i) ordinary shares of MAG; and (ii) class “A2” shares issued under the management equity incentive plan of MAG (and provided that prior to the adoption of the New Constitution, the aggregate number of class “A2” shares does not exceed 5% of the total shares on issue as at the date of the Amending Deed);
- (c) in respect of MAG only, undertake or undergo a reorganisation (including a buy back or redemption of any equity security) other than (i) in connection with an initial public offering after the Put and Call Option Deed End Date or (ii) in accordance with the Put and Call Option;
- (d) enter into or materially vary any contract or other arrangement between: (i) a member of the MAG Group; and (ii) any current or proposed holder of securities of MAG (other than a current or proposed Management Shareholder), any person in which a holder of securities of MAG (other than a Management Shareholder) has an economic interest, or any relative of a holder of securities of MAG (other than a Management Shareholder).

The reserved matters in relation to initial business plan, security interests, capital expenditure, listing and finance or operating lease have been removed in their entirety by the Amending Deed.

Dividend distributions

Notwithstanding the existing terms in the Existing Shareholders Deed, from the date of the Amending Deed until the Put and Call Option Deed End Date, MAG will not determine, declare or pay (and the shareholders of MAG will procure that MAG will not determine, declare or pay) any dividend without a Required Approval, including for the avoidance of doubt in respect of any period or part period prior to the Amending Deed. The provision will cease to apply after the Put and Call Option Deed End Date.

The provisions in relation to the IPO Put Option, Clawback, Earn-out (all as defined in the Previous Announcement) in the Existing Shareholders Deed will be removed in their entirety.

Other than the terms set out above, the terms of the Existing Shareholders Deed shall remain unchanged. For more details of the principal terms of the Existing Shareholders Deed, please refer to the Previous Announcement.

INFORMATION ON THE GROUP

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

INFORMATION ON THE VENDOR

The Vendor is an indirect wholly owned subsidiary of the Company, which is a company incorporated in the BVI with limited liability. It is principally engaged in investment holding.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Australia with limited liability and a trustee of Montessori Academy Trust. As at the date of this announcement, the Purchaser is principally engaged in investment holding. The Purchaser is wholly-owned by Charles Peter Assaf and therefore, the ultimate beneficial owner of the Purchaser is Charles Peter Assaf.

INFORMATION ON MONTESSORI ACADEMY TRUST

Montessori Academy Trust is a family trust fund set up in Australia with the Purchaser as the trustee and Colette Assaf, Charles Peter Assaf, their offspring and the spouses of their offspring as the beneficiaries.

INFORMATION ON CCA

CCA is a company incorporated in Australia with limited liability. As at the date of this announcement, CCA is principally engaged in investment holding. CCA is owned by Charles Peter Assaf as to approximately 50% and Colette Assaf as to approximately 50%, and therefore, the ultimate beneficial owners of CCA are Charles Peter Assaf and Colette Assaf.

INFORMATION ON MAG

MAG is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement and immediately prior to the Disposal Completion. MAG is a company incorporated in Australia with limited liability and as at the date of this announcement held as to approximately 53.90% by the Vendor, approximately 3.75% by the Management Shareholder, approximately 21.92% by the Purchaser and approximately 20.43% by CCA Investment Group Pty. Limited respectively. It is principally engaged in the provision of education and childcare services offering day-to-day education to infants between 0–2 years old, toddlers between 2–3 years old and preschoolers between 3–6 years old in accordance with the Montessori curriculum and system, and is currently operating more than 55 childcare centres in Australia.

The audited consolidated financial information of MAG for the two financial years ended 31 December 2022 and 31 December 2023 are set out below:

	For the year ended	
	31 December	
	2022	2023
	<i>(AUD)</i>	<i>(AUD)</i>
Profit before taxation	2,085,804	2,097,627
Profit after taxation	1,174,763	288,626
Net assets	10,715,437	11,414,609

The unaudited net asset value of MAG as at 30 June 2024 based on the unaudited consolidated financial information of MAG as at 30 June 2024 was approximately AUD13,018,590.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Considering the policy and market environment of childhood education in the PRC, the Group's original goal of supporting the large-scale development of childhood education-related businesses in the PRC through MAG's education system and business model in Australia may not be realized within a short period of time. Therefore, based on the overall layout of the Group's business development, the Transactions will be more in line with the interests of the Company's shareholders as a whole.

Also, given that after the Transactions, the Group and MAG will continue to explore new ways of cooperation that are more in line with the respective interests of both parties.

On the basis of the above, the Board considers that the terms of the Transaction Documents (including the Consideration) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and the entering into of the Transaction Documents is in the interests of the Company and its shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL AND BUYBACK AND THE PROPOSED USE OF PROCEEDS

Immediately after completion of the Disposal and Buyback, MAG will cease to be a subsidiary of the Company and the financial results, assets and liabilities of MAG will no longer be consolidated into the Group's financial statements. The Group is expected to record an unaudited gain on the Disposal and Buyback of approximately AUD16.8 million (equivalent to approximately RMB82.1 million). The expected gain on the Disposal and Buyback is calculated based on the difference between (with respect to the relevant percentage of equity interests of MAG to be disposed under the Disposal and Buyback) the consideration provided by the Group for the acquisition of the equity interest of MAG as disclosed in the Previous Announcement and the consideration expected to be received by the Group due to the Disposal and Buyback. The actual gain to be recorded by the Company in connection with the Disposal and Buyback is subject to audit and may be different from the estimated amount.

The net cash proceeds to be received by the Group from the Disposal and Buyback is estimated to be approximately AUD31.2 million. The Company intends to apply the net proceeds from the Disposal and Buyback for the general working capital.

IMPLICATIONS UNDER THE LISTING RULES

Since (i) the Transactions are all related to the disposal of equity interest in MAG by the Vendor; and (ii) the execution of the Buyback Agreement is one of the conditions precedent of the Disposal Completion and the Disposal and Buyback are inter-conditional upon each other, the Transactions shall be aggregated as a series of transactions in accordance with Rule 14.22 under the Listing Rules.

Under Rule 14.74 of the Listing Rules, the grant of the Call Option (the exercise of which is not at the discretion of the Group) shall be treated as if the Call Option had been exercised. Both the Exercise Price and the premium of the Call Option have been taken into account for the purpose of determining the applicable percentage ratios under the Chapter 14 of the Listing Rules.

As one or more of the highest percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) applicable to the Company in respect of (i) the Disposal together with the Buyback; and (ii) the entering into of the Put and Call Option Deed (either on a stand-alone or aggregate basis) exceeds 5% but is less than 25%. Therefore, the Transactions constitute discloseable transactions of the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser holds approximately 21.92% of the issued share capital of MAG and is a substantial shareholder of MAG, and hence is a connected person of the Company at the subsidiary level. Therefore, the Disposal together with the Buyback also constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that (i) upon completion of the Disposal and Buyback, MAG will cease to be a subsidiary of the Company and CCA will then cease to be a connected person of the Company; and (ii) the Put and Call Option Deed will only be entered into upon completion of the Disposal and Buyback, the entering into of the Put and Call Option Deed will not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) the Purchaser is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Disposal and the Buyback; and (iii) the independent non-executive Directors have confirmed that the terms of the Disposal and the Buyback are fair and reasonable, the Disposal and the Buyback are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Disposal and the Buyback are exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Board has approved the Transaction Documents and the transactions contemplated thereunder. As none of the Directors has any material interest in the Transaction Documents and the transactions contemplated thereunder or is required to abstain from voting on the relevant board resolutions to approve the same.

Completion of the Disposal and Buyback is subject to the satisfaction of the respective conditions precedent under the Share Sale Deed and the Buyback Agreement and therefore, the Disposal and Buyback may or may not materialise. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Amending Deed”	the amending deed in relation to the Existing Shareholders Deed to be entered into by the parties to the Existing Shareholders Deed at the Disposal Completion
“ASIC”	the Australian Securities and Investments Commission
“Assaf Shareholders”	collectively, any of CCA Investment Group Pty. Limited, the Purchaser, Colette Assaf or Charles Peter Assaf and any permitted transferee of any of them whom any securities of MAG have been transferred under the Existing Shareholders Deed
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“AUD”	the lawful currency of Australia
“Board”	the board of directors of the Company
“Buyback”	the purchase of the Buyback Shares by MAG from the Vendor pursuant to the Buyback Agreement
“Buyback Agreement”	the buyback agreement dated 8 November 2024 entered into between the Vendor and MAG in relation to the Buyback
“Buyback Filing Condition Satisfaction Date”	(1) except where an ASIC form 281 is lodged in connection with the satisfaction of the Buyback Filing Condition, the date on which the Buyback Filing Condition is satisfied or waived in accordance with the Share Sale Deed; and (2) where an ASIC form 281 is lodged in connection with the satisfaction of the Buyback Filing Condition, the later of: (i) the date of lodgement of the form 281; (ii) 14 days prior to the date set out in such form as being the proposed date for passing the resolution to approve the Buyback; and (iii) 14 days prior to the date on which the Buyback Filing Condition is satisfied or waived in accordance with the Share Sale Deed
“Buyback Price”	AUD15.0 million
“Buyback Shares”	1,119,515 of class “A1” ordinary shares in the share capital of MAG, representing approximately 10.78% of the equity interest in MAG as at the date of this announcement
“BVI”	British Virgin Islands

“CCA”	means CCA HoldCo Pty Ltd, a company incorporated in Australia with limited liability
“Company”	Greentown Service Group Co. Ltd. (綠城服務集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2869)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	AUD16.2 million, being the total consideration payable by the Purchaser to the Vendor for the transfer of the Sale Shares under the Share Sale Deed
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Share Sale Deed
“Disposal Completion”	completion of the Disposal pursuant to the Share Sale Deed
“Emergency Funding Event”	any event or circumstance that results in, or the board of directors of MAG determines is reasonably likely to result in: (a) a default by a member of the MAG Group of any term or covenant under the facilities as set out in the Existing Shareholders Deed; (b) any member of the MAG Group becoming the subject of an insolvency event as set out in the Existing Shareholders Deed; or (c) a change in the financial or operational affairs of any member of the MAG Group which would have a material adverse effect on the MAG Group as a whole or any member of the MAG Group, and which can be addressed through the payment of money
“Exercise Price”	AUD62,160,000 plus the aggregate maximum subscription price paid by the Group for any Option Shares acquired by the Group following the date of the Put and Call Option Deed, i.e. AUD177,600,000
“Existing Shareholders Deed”	the shareholders deed dated 5 July 2019 entered into among: (i) CCA Investment Group Pty. Limited; (ii) the Purchaser; (iii) Colette Assaf; (iv) Charles Peter Assaf; (v) the Vendor; (vi) the Company; and (vii) MAG in relation to MAG (but excluding, for the avoidance of doubt, the amendments to be made pursuant to the Amending Deed)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MAG”	Montessori Academy Group Holding Pty. Ltd., a company incorporated in Australia with limited liability
“MAG Group”	MAG and its subsidiaries
“Management Shareholder”	a person who holds the shares issued by MAG solely as a result of his/her/its participation in the management equity incentive plan of MAG
“Montessori Academy Trust”	a family trust fund set up in Australia with the Purchaser as the trustee and Colette Assaf, Charles Peter Assaf, offspring and the spouses of their offspring as the beneficiaries
“New Constitution”	the new constitution of MAG to be adopted with effect from Disposal Completion
“Option Shares”	including: <ul style="list-style-type: none"> (i) 3,271,757 of Class “A1” ordinary shares in the share capital of MAG, representing approximately 31.49% of the equity interest in MAG as at the date of this announcement; (ii) any other shares in the share capital of MAG that the Vendor may receive, be issued or acquire at any time following the later of the completion of the Disposal or the Buyback; and (iii) any other shares in the share capital of MAG that the Vendor may acquire pursuant to any accretions, rights, benefits or entitlements of whatever kind at any time following the later of the completion of the Disposal or the Buyback
“Purchaser”	Montessori Academy Pty Ltd, a company incorporated in Australia with limited liability
“Put and Call Option Deed”	the put and call option deed to be entered into among the Vendor, CCA, Charles Peter Assaf and the Company

“Put and Call Option Deed End Date”	<p>means (in order of precedence):</p> <ul style="list-style-type: none"> (a) if the Put and Call Option Deed is terminated in accordance with its terms (or by the agreement in writing signed by all parties thereto), the day immediately following the date of termination of the Put and Call Option Deed; (b) if the Put Option or Call Option under the Put and Call Option Deed has been exercised, the date of completion of the transfer of all Option Shares in accordance with the Put and Call Option Deed; and (c) otherwise, the final day of the Call Option Exercise Period.
“Required Approval”	<ul style="list-style-type: none"> (i) prior written approval given either by the Vendor (for so long as and from time to time whilst the Vendor holds at least 15% of the total number of shares issued by MAG) and the Assaf Shareholders; or (ii) by a resolution of the board of directors of MAG where such resolution has been passed with the approval of at least one Vendor Director (for so long as and from time to time whilst the Vendor holds at least 15% of the total number of shares issued by MAG) and at least one Assaf Shareholder Director; or (iii) by a unanimous circulating resolution of the board of directors of MAG
“Sale Shares”	1,209,077 of class “A1” ordinary shares in the share capital of MAG, representing approximately 11.64% of the equity interest in MAG as at the date of this announcement
“Share Sale Deed”	the share sale deed dated 8 November 2024 entered into between the Vendor and the Purchaser in relation to the Disposal
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Documents”	among other things, the Share Sale Deed, the Buyback Agreement, the Put and Call Option Deed and any other document entered into accordance with the terms of the Share Sale Deed
“Transactions”	the Disposal, Buyback and grant of the Call Option
“Vendor”	Greentown Education Investment Co. Ltd, a company incorporated in the BVI with limited liability and an indirect wholly owned subsidiary of the Company

“Vendor Loans”

the loans owed by MAG to the Vendor pursuant to the secured loan agreement entered into between the Vendor (as lender), MAG (as borrower) and subsidiaries of MAG (as guarantors) dated 5 July 2019, and comprising an aggregate principal amount of AUD20,909,500 as at the date of the Share Sale Deed

“%”

per cent

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

8 November 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.