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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)

**CLARIFICATION ANNOUNCEMENT
IN RESPECT OF PRESS ARTICLES**

This announcement is made by Greentown Service Group Co. Ltd. (the “**Company**”) to clarify certain statements reported by the press recently about the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company noted that there were press articles reported that the Company’s management mentioned in the analysts presentation held on 27 August 2018 (the “**Analysts Presentation**”) that in light of the tax authorities taking over the collection of social securities in the People’s Republic of China (the “**PRC**”) (effective from 2019) (the “**Collection of Social Insurance Levies Policy**”), the Company’s labour costs may increase by RMB130 million next year, such increment represents 27% of the Company’s operating profit for year ended 31 December 2017.

The Company wishes to clarify that, in order to address queries in relation to the newly released Collection of Social Insurance Levies Policy, the Company’s management only mentioned in the Analysts Presentation that the Collection of Social Insurance Levies Policy may have impact on the Company’s labour costs with a range from RMB70 million to RMB130 million, but such potential impact might or might not be realized depending on the progress of the implementation of the Collection of Social Insurance Levies Policy.

The Company has noted that as clearly stated at the executive meeting of State Council of the PRC on 6 September 2018, the existing levies policy shall remain unchanged throughout the country before the implementation of the reform of social insurance institutions, and efforts shall be made to lower the social insurance rate as appropriate to ensure that no financial burden would be imposed on enterprises in general. The Company would closely monitor the progress of the implementation of the Collection of Social Insurance Levies Policy and assess such impacts (if any) to the Company’s financial performance. Further announcement(s) would be made if necessary.

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

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

Hangzhou, the PRC
7 September 2018

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; and the non-executive Directors are Mr. SHOU Bainian and Ms. XIA Yibo; and the independent non-executive Directors are Mr. LI Feng, Mr. POON Chiu Kwok and Mr. WONG Ka Yi.