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Fineland Real Estate Services Group Limited

方圓房地產服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9978)

SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS MASTER LEASE AGREEMENT

Reference is made to the announcement of Fineland Real Estate Services Group Limited (the “**Company**”) dated 28 January 2021 in relation to the entering into of the Master Lease Agreement (the “**Announcement**”). Unless otherwise stated, the capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide the following additional information in relation to the Master Lease Agreement and the transactions contemplated thereunder as follows:

INTERNAL CONTROLS

In order to ensure that the continuing connected transactions contemplated under the Master Lease Agreement are conducted on normal commercial terms or on terms no less favourable than when renting from Independent Third Parties and in accordance with the terms of the Master Lease Agreement, the Company has adopted the following internal control procedures:

- (i) before entering into each Lease, at least two rental comparables of properties rented by Independent Third Parties with similar size within the same building or, if not available, properties with similar sizes in the vicinity of the property to be leased will be reviewed;
- (ii) the internal control department will keep proper documentation of each Lease and regularly review rental comparables for properties in the same building or in the vicinity of the leased property;

- (iii) the internal control department will collect and monitor data of the continuing connected transactions contemplated under the Master Lease Agreement on a regular basis to ensure the annual caps are not exceeded and will prepare a related party transaction report setting out the transaction amount of the corresponding period and an aggregated transaction amount for the respective year;
- (iv) the internal control department will conduct checks before entering into each Lease to review and assess whether terms of each Lease are in accordance with the terms of the Master Lease Agreement and each Lease is subject to approval by the Group's internal control department headed by Mr. Yi Ruofeng, an executive Director and the compliance officer of the Company, who has no interests in the transactions contemplated under the Master Lease Agreement;
- (v) the internal control department will conduct half-yearly reviews of the internal control measures of the Group in relation to continuing connected transactions of the Company and where any weaknesses are identified, the Company will take measures to address them to ensure its internal controls remain complete and effective; and
- (vi) the external auditors of the Company and the independent non-executive Directors will conduct an annual review and/or confirmation on the continuing connected transactions of the Company (including those under the Master Lease Agreement) conducted during the preceding financial year pursuant to the requirements of the Listing Rules.

Save as disclosed above, all other information in the Announcement remains unchanged.

By order of the Board
Fineland Real Estate Services Group Limited
FONG Ming
Chairman

Hong Kong, 5 February 2021

As at the date of this announcement, the executive Directors are Ms. RONG Haiming, Mr. YI Ruofeng and Ms. TSE Lai Wa; the non-executive Director is Mr. FONG Ming; and the independent non-executive Directors are Mr. LEUNG Wai Hung, Mr. LIAO Junping, Mr. TIAN Qiusheng and Mr. DU Chenhua.