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## **Fineland Living Services Group Limited**

**方圓生活服務集團有限公司**

*(formerly known as 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)**

### **MAJOR TRANSACTION SETTLEMENT OF OUTSTANDING RECEIVABLES**

#### **THE SETTLEMENT TRANSACTIONS**

The Board wishes to announce that on 21 June 2023 (after trading hours), Fineland Living Services (an indirectly wholly owned subsidiary of the Company) and the Vendor entered into the Settlement Agreement, pursuant to which, Fineland Living Services has conditionally agreed to procure the Relevant Purchaser(s) to pay the Down Payment of approximately RMB4.0 million and set-off the Outstanding Receivables of approximately RMB16.0 million owed to it and its subsidiaries by the Vendor, by way of accepting the transfer of the Properties from the Vendor to the Relevant Purchaser(s).

The Total Consideration of the Settlement Transactions shall comprise the Down Payment to be paid in cash and the Set-off Price. The Set-off shall be effected on the Set-off Date after all Conditions Precedent have been fulfilled whereupon:

- (a) the Set-off Price shall be regarded to have paid Fineland Living Services and its subsidiaries a sum equivalent to the Outstanding Receivables towards its settlement thereof; and
- (b) the Relevant Purchaser(s) shall be regarded to have paid the Vendor the Set-off Price and the Vendor shall not thereafter make any claim against the Relevant Purchaser(s) for the Total Consideration after the Set-off.

To effectuate the Settlement Transactions, the Vendor and the Relevant Purchaser(s) will separately enter into the Property Presale Agreement in respect of each of the Properties.

## **LISTING RULES IMPLICATION**

As the highest applicable percentage ratio in respect of the Settlement Transactions exceeds 25% but is less than 100%, the Settlement Transactions shall constitute a major transaction of the Company under the Listing Rules and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

The EGM will be convened by the Company to consider and, if thought fit, approve the Settlement Transactions. A circular containing, among other things, further details of the Settlement Transactions, a notice of EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 17 August 2023 to allow sufficient time for the preparation of the relevant information to be included in the circular.

## **I. THE SETTLEMENT TRANSACTIONS**

The Board wishes to announce that on 21 June 2023 (after trading hours), Finland Living Services (an indirectly wholly owned subsidiary of the Company) and the Vendor entered into the Settlement Agreement, pursuant to which, Finland Living Services has conditionally agreed to procure the Relevant Purchaser(s) to pay the Down Payment of approximately RMB4.0 million and set-off the Outstanding Receivables of approximately RMB16.0 million owed to it and its subsidiaries by the Vendor, by way of accepting the transfer of the Properties from the Vendor to the Relevant Purchaser(s).

The Total Consideration of the Settlement Transactions shall comprise the Down Payment to be paid in cash and the Set-off Price. The Set-off shall be effected on the Set-off Date after all Conditions Precedent have been fulfilled whereupon:

- (a) the Set-off Price shall be regarded to have paid Finland Living Services and its subsidiaries a sum equivalent to the Outstanding Receivables towards its settlement thereof; and
- (b) the Relevant Purchaser(s) shall be regarded to have paid the Vendor the Set-off Price and the Vendor shall not thereafter make any claim against the Relevant Purchaser(s) for the Total Consideration after the Set-off.

To effectuate the Settlement Transactions, the Vendor and the Relevant Purchaser(s) will separately enter into the Property Presale Agreement in respect of each of the Properties.

## Principal terms of the Settlement Agreement

The principal terms of the Settlement Agreement are set out below:

- Date : 21 June 2023
- Parties : (1) the Vendor; and  
(2) Fineland Living Services (collectively, the “**Parties**”)
- Subject matter : The Parties acknowledged and confirmed that the Outstanding Receivables for property management and agency services provided by Fineland Living Services and its subsidiaries that remained outstanding and payable by the Vendor as at 30 April 2023 was approximately RMB16.0 million.
- Settlement arrangement and Down Payment : Fineland Living Services has conditionally agreed to procure the Relevant Purchaser(s) to pay the Down Payment of approximately RMB4.0 million and set-off the Outstanding Receivables of approximately RMB16.0 million owed to it and its subsidiaries by the Vendor, by way of accepting the transfer of the Properties from the Vendor to the Relevant Purchaser(s).

The transfer of each of the Properties shall be effected by the Relevant Purchaser and the Vendor entering into the relevant Property Presale Agreement. For the principal terms of the Property Presale Agreement, please refer to the section headed “*Principal terms of the Property Presale Agreement(s)*” of this announcement.

The Set-off shall be effected on the Set-off Date after all Conditions Precedent have been fulfilled whereupon:

- (a) the Set-off Price shall be regarded to have paid Fineland Living Services and its subsidiaries a sum equivalent to the Outstanding Receivables towards its settlement thereof; and

- (b) the Relevant Purchaser(s) shall be regarded to have paid the Vendor the Set-off Price and the Vendor shall not make any claim against the Relevant Purchaser(s) for the Total Consideration after the Set-off.

Pursuant to the relevant local housing authority in Jiangmen City, a down payment of not less than 20% of the property price is required to be paid in cash for any pre-sale of residential properties and is a pre-requisite to making filings (網簽備案) with the relevant local housing authority (the “**Filing(s)**”) in securing rights to ownership of such properties and protecting the interests of the property buyers. Accordingly, the Parties agreed that the Relevant Purchaser(s) shall pay the Down Payment of approximately 20% of the Total Consideration, which is approximately RMB4.0 million, in order to proceed with the Filings as soon as possible.

The Properties : The Parties agreed that each of the Properties shall be delivered on the Completion Date free from any encumbrances.

For details of the Properties, please refer to the section headed “*Information on the Properties and their valuation*” of this announcement.

Conditions precedent : The Settlement Transactions are conditional upon:

- (i) the Relevant Purchaser(s) has completed due diligence on the Properties and is satisfied with the results thereof (including proof of the Vendor having full ownership and interest in respect of the Properties);
- (ii) the transaction documents contemplated under the Settlement Transactions (being the Settlement Agreement and the Property Presale Agreement(s)) have been duly executed by the relevant Parties;

- (iii) the Parties have obtained the relevant authorisation(s), consent(s), approval(s) or waiver(s) from, including but not limited to the relevant government authorities, the Stock Exchange, management, board of directors (including the Board) and shareholders of the relevant party (as the case maybe) and the Shareholders;
- (iv) the Company has fulfilled all the relevant requirements under the Listing Rules in connection with the Settlement Transactions;
- (v) the Vendor and the Relevant Purchaser(s) have entered into the respective Property Presale Agreement(s) and completed the Filing(s) in accordance with the terms of the Property Presale Agreement and the result of the Filing(s) status being made publicly available on the website of the relevant local housing authority; and
- (vi) at any time from the execution of the Settlement Agreement to the Set-off Date, there has been no material adverse change, no effective prohibition or similar decree that may prohibit or restrict any party from completing the Settlement Transactions, and no third party has proposed any ongoing or imminent claims, assertions or demands that may restrict the performance of the Settlement Agreement.

In the event any of the Conditions Precedent cannot be fulfilled, or Completion cannot take place on or before the Long Stop Date, Finland Living Services shall be entitled to rescind or partially rescind the Settlement Agreement whereby Finland Living Services shall have the right to release the Vendor's obligations in respect of the Down Payment and the Outstanding Receivables corresponding to the units of the Properties that have been delivered, and partially rescind the Settlement Agreement in respect of the Vendor's remaining obligations corresponding to the remaining Properties that are yet to be delivered. In respect of the Vendor's rescinded obligations, the Vendor shall unconditionally (1) cooperate with the Relevant Purchaser(s) to de-register the relevant Filing(s); (2) refund the relevant amount of the Down Payment to the Relevant Purchaser(s); and (3) reverse the relevant Set-off and the Vendor shall continue to be obliged to fulfill its payment obligations in connection with the relevant amount of the Outstanding Receivables and other outstanding receivables owed to Finland Living Services and its subsidiaries.

- Filing mechanism : The Parties agreed that:
- (i) the Relevant Purchaser(s) shall, within 10 business days upon the entering of the Settlement Agreement, deposit the Down Payment in cash into a segregated bank account set-up by the Vendor as regulated by the relevant government authority. The Vendor shall thereupon issue receipt(s) to the Relevant Purchaser(s); and
  - (ii) Within 30 calendar days from the date of entering of the relevant Property Presale Agreement(s), the Vendor or its designated representative shall, along with the requisite documents including but not limited to the Down Payment receipt(s), submit the Filing(s) to the relevant local housing authority to secure rights to ownership of the relevant Properties.

Representations,  
warranties and  
undertakings

: Finland Living Services represented and warranted that the following representations and warranties are true and correct in all respects as at the date of the Settlement Agreement and shall be true and correct throughout the subsistence of the Settlement Agreement:

- (i) it is a company lawfully established and validly existing in accordance with the laws of the PRC. It has all the necessary licenses, approvals and authorizations for its legal operations. It conducts business and performs its obligations under the Settlement Agreement in accordance with the laws of the PRC, business licenses and government approvals it has so obtained;
- (ii) save for fulfilling the Conditions Precedent, it has obtained all external and internal authorizations required to perform the relevant obligations under the Settlement Agreement, and has sufficient rights and capabilities to enter into the Settlement Agreement and perform the obligations thereunder;
- (iii) the entering into of the Settlement Agreement shall be fully and legally binding on Finland Living Services. The entering and performance of the Settlement Agreement shall not cause Finland Living Services to violate the laws and regulations, the mandatory provisions of effective judgments and arbitral awards (unless otherwise required by the Stock Exchange or Securities and Futures Commission of Hong Kong), and will not cause Finland Living Services to violate its articles of association, agreement(s) entered into with third parties and will not create any conflict of interests.

The Vendor represented and warranted that the following representations and warranties are true and correct in all respects as at the date of the Settlement Agreement and shall be true and correct throughout the subsistence of the Settlement Agreement:

- (i) it has obtained all external and internal authorizations required to perform the relevant obligations under the Settlement Agreement, and has sufficient rights and capabilities to enter into the Settlement Agreement and perform the obligations thereunder;
- (ii) the entering into of the Settlement Agreement shall be fully and legally binding on the Vendor. The entering into and performance of the Settlement Agreement shall not cause the Vendor to violate the laws and regulations, the mandatory provisions of effective judgments and arbitral awards, and will not cause the Vendor to violate its articles of association, board and shareholders' approval(s), and agreement(s) entered into with third parties and will not create any conflict of interests;
- (iii) the Vendor has fully, thoroughly and timely disclosed to Fineland Living Services and/or the Relevant Purchaser(s) all information and materials related to the Properties under the Settlement Agreement that they know and in possession of, and further undertake that the disclosed information and materials are in all respects complete, accurate, true and valid, without any misrepresentation, concealment or misstatements, and the information so provided is true and valid; and
- (iv) the Vendor has the actual, legal, effective and complete right to dispose the Properties, and it has not subject the Properties, for itself or for the benefit of others, to any mortgage, pledge, guarantee, trusteeship, encumbrance or other impediments that may subject the Properties to recourse or claims by third parties. The Properties have not been subject to seizure, freeze, auction or other compulsory (enforcement) measures by any authority.



The Vendor shall notify the Relevant Purchaser(s) as soon as possible in the event any of the above circumstances take place. At the same time, Finland Living Services has the right to unconditionally rescind the Settlement Agreement and the Vendor shall compensate Finland Living Services for any direct and indirect loss caused by it, including but not limited to litigation costs, preservation fees, preservation guarantee fees, legal fees, notarization fees, appraisal fees, valuation fees, travel expenses and costs arising from claims asserted by Finland Living Services.

The Vendor has further made the following undertakings:

- (i) it shall return the Down Payment in full to the Relevant Purchaser(s) if any of the Conditions Precedent cannot be fulfilled and Finland Living Services elects to rescind the Settlement Agreement. If the Vendor cannot make the refund within 10 business days from the day of any of the Conditions Precedent cannot be fulfilled, the Vendor shall be liable to pay 0.01% of the Down Payment per day to the Relevant Purchaser(s). Further, it shall return the relevant amount of the Down Payment to the Relevant Purchaser(s) if any Completion cannot take place on or before the Long Stop Date and Finland Living Services elects to rescind or partially rescind the Settlement Agreement. If the Vendor cannot make a refund of the relevant amount of the Down Payment within 10 business days from the Long Stop Date, the Vendor shall be liable to pay 0.01% of the relevant amount of the Down Payment per day to the Relevant Purchaser(s);

- (ii) it shall unconditionally agree and accept the reversal of the Set-off if any Completion cannot take place on or before the Long Stop Date, and Finland Living Services elects to rescind or partially rescind the Settlement Agreement. The Vendor shall continue to be obliged to fulfill its payment obligations in connection with the relevant amount of the Outstanding Receivables and other outstanding receivables owed to Finland Living Services and its subsidiaries;
- (iii) save as governed by the terms of the Settlement Agreement, it shall not sell any of the Properties to more than one party;
- (iv) any business or operational qualification and compliance liability risks related to the Vendor's business and its related activities caused by whatsoever reasons, and any other possible illegal or non-compliant behaviors that could give rise to civil, administrative or criminal liability, and penalty risks arising on or before the Completion Date shall be borne by the Vendor and shall have nothing to do with Finland Living Services. The Vendor shall be fully liable to compensate Finland Living Services if Finland Living Services suffers loss or damage as a result of the aforementioned risks or responsibilities;
- (v) it is independent from the Company and is not a connected person (as defined in the Listing Rules);  
and
- (vi) it shall from time to time do its best to assist and cooperate with the Company and Finland Living Services to reply to questions raised by the relevant regulatory bodies (including the Stock Exchange).

## **Principal terms of the Property Presale Agreement(s)**

The principal terms of the Property Presale Agreement(s) in their standard forms, are substantially identical to each other and shall be entered into at any time after the entering of the Settlement Agreement, as set out below:

- Parties : (1) the Vendor; and  
(2) the Relevant Purchaser.
- Subject matter : The Vendor shall sell and the Relevant Purchaser shall purchase the relevant Property at the relevant property purchase price free from encumbrances.
- Filing obligation : The Vendor shall within 30 calendar days from the entering of the Property Presale Agreement make the Filings with the relevant local housing authority. To facilitate the Filings, the Relevant Purchaser shall provide forthwith all the requisite documents to the Vendor, including but not limited to payment proof of the Down Payment. The cost of the Filing(s) should be borne by the Relevant Purchaser.
- Delivery : Subject to the Vendor meeting the conditions to delivery as provided in the Property Presale Agreement including but not limited to the relevant Properties being granted the construction project completion acceptance certification (建設工程竣工驗收備案證明文件) and the housing survey report (房屋測繪報告), the Vendor shall deliver the relevant Properties to the Relevant Purchaser before the Latest Completion Date, failing which the Vendor shall be subject to penalty fees, as follows:
- (i) if the actual delivery takes place less than 90 calendar days from the Latest Completion Date (i.e. on or before the Long Stop Date), the Vendor shall pay the Relevant Purchaser 0.01% of the property purchase price per day beginning from the day after the Latest Completion Date till the actual delivery date. The accumulated penalty fee shall not exceed 5% of the property purchase price;

- (ii) if the actual delivery takes place more than 90 calendar days from the Latest Completion Date (i.e. after the Long Stop Date), the Relevant Purchaser shall have the right to rescind the relevant Property Presale Agreement upon serving a notice of termination to the Vendor, and the Vendor shall thereupon refund the property purchase price in full and pay a penalty fee of 5% of the property purchase price to the Relevant Purchaser; and
- (iii) the penalties stipulated in parts (i) and (ii) above should not be aggregated, and the latest time for the Relevant Purchaser to serve the notice of termination should not be more than 10 calendar days from the day the Purchaser is entitled to rescind the relevant Property Presale Agreement.

Legal title : The Relevant Purchaser shall entrust the Vendor to obtain the certificate evidencing the Relevant Purchaser's legal title (房屋所有權證書) which shall be completed within 720 calendar days from the Latest Completion Date (the "**Legal Title Delivery Date**"), failing which the Vendor shall pay the Relevant Purchaser 0.01% of the property purchase price per day beginning from the Legal Title Delivery Date till the actual delivery date of the legal title certificate. The accumulated penalty fee shall not exceed 3% of the property purchase price. If the delay is caused by the Relevant Purchaser, it shall be subject to the same penalty mechanism as described above. If neither party has caused the delay, no penalty shall be inflicted on either party.

Vendor's undertakings : The Vendor shall undertake that:

- (i) the Vendor has the legal right to the relevant Property;
- (ii) the relevant Property has never been sold to another party other than the Relevant Purchaser to the Property Presale Agreement; and

- (iii) the relevant Property is not subject to judicial seizure or other restrictions on transfer or assignment.

### **Consideration and basis of determination of the consideration**

The Total Consideration in respect of the Settlement Agreement was arrived at after arm's length negotiation between Fineland Living Services and the Vendor, with reference to, amongst others, the cash flow positions of Fineland Living Services and its subsidiaries, the preliminary valuation conducted by an independent valuer on the Properties and the resale value of the Properties. The Vendor has agreed and undertaken to settle the Outstanding Receivables by way of transfer of the Properties in exchange of which, Fineland Living Services has conditionally agreed to procure the Relevant Purchaser(s) to pay the Down Payment of approximately RMB4.0 million and set-off the Outstanding Receivables in the amount of approximately RMB16.0 million, being part of the Total Outstanding Receivables due from the Vendor pursuant to contracts entered into between the Group and the Vendor for the provision of property agency and property management services by the Group to the Vendor.

For the basis of determination on the valuation of the Properties, please refer to the section headed "*Information on the Properties and their Valuation*" of this announcement.

## **II. INFORMATION ON THE PROPERTIES AND THEIR VALUATION**

### **The Properties**

The Properties consist of 23 first-hand residential properties situated in a private housing complex, block 51 of Fangyuan Yunshan Poetry (Heshan)\* (方圓 ● 鶴山雲山詩意) located in Tianyue 4th Street, Shaping Jiedao, Heshan City of Jiangmen City, Guangdong Province of the PRC. The Properties have a total gross floor area of 2,614.7 square meters with individual sizes ranging from approximately 99.8 square meters to 130.5 square meters.

According to publicly available information and as represented by the Vendor, Fangyuan Yunshan Poetry (Heshan) is a residential and commercial development and has a gross floor area of approximately 680,000 square meters comprising 27 blocks of residential units. It is accessible to nearby commercial area, schools and hospitals. Block 51 of Fangyuan Yunshan Poetry (Heshan) has a total gross floor area of approximately 16,600 square meters. The Vendor is the registered legal and beneficial owner of Fangyuan Yunshan Poetry (Heshan) which has been under development by the Vendor since November 2021. As at the date of this announcement, the Vendor has obtained the permit to conduct pre-sale of the Properties.

## **Valuation of the Properties**

The total value of the Properties shall be approximately RMB20.0 million which shall be equal to the Total Consideration. The value of the Properties was determined after arm's length negotiation between Fineland Living Services and Vendor with reference to the preliminary valuation conducted by an independent valuer on the Properties, with the market value of the Properties of approximately RMB20.0 million as at 31 May 2023. The independent valuer has considered, among other things, the proposed pre-sale price of the residential units in block 51 of Fangyuan Yunshan Poetry (Heshan) and the market selling prices of comparable properties.

## **III. FINANCIAL IMPLICATION OF THE SETTLEMENT TRANSACTIONS**

As at 30 April 2023, the Total Outstanding Receivables, being the amounts due from the Vendor was at approximately RMB58.2 million. Upon Completion Date, the Outstanding Receivables will be derecognised by the recognition of the Down Payment of approximately RMB4.0 million paid for acquisition of investment properties of approximately RMB20.0 million measured at market value. All Properties will be recognized as investment properties on the Completion Date subject to fair value measurement with impact reflected in the Company's profit or loss in the future.

It is estimated that the Group will incur cost of approximately RMB1.2 million in connection with the Settlement Transactions which include deed tax, stamp duty on the acquisition of Properties and professional fees, etc.

Save as disclosed above, the Board considers that there will be no material adverse impact on (a) the financial position and earnings, and (b) the business and operation, of the Group associated with the Settlement Transactions.

## **IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT TRANSACTIONS**

The Settlement Transactions were entered into as the Vendor was unable to settle the Total Outstanding Receivables on schedule and it is expected that the Vendor would not be able to settle the Total Outstanding Receivables in the near future. The Total Outstanding Receivables arose from property agency and property management services provided by the Group to the Vendor in the past. Having exhausted all other means in recovering the Total Outstanding Receivables, it is agreed between the Parties that the Properties are to be transferred to the Relevant Purchaser(s) as full settlement of the Outstanding Receivables due from the Vendor. The Company saw the potential upside in the resale value of the Properties located in Fangyuan Yunshan Poetry (Heshan) against the backdrop of the reviving PRC property market. The Group intends to hold the Properties for investing purposes. The Group is exploring other options to recover the remaining balance of the Total Outstanding Receivables.

The Directors are of the view that by entering into the Settlement Transactions, the Group shall (i) immediately reduce the exposure to credit risk associated with the Total Outstanding Receivables by settling the Set-off Price with the transfer of the Properties; and (ii) benefit from the potential upside in the resale value of the Properties in the reviving PRC property market, which will improve the financial position of the Group in the future as a whole.

As of the date of this announcement, the Board had approved the terms of the Settlement Agreement, Property Presale Agreement(s) and the Settlement Transactions, and considered the terms and the transactions being fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## V. INFORMATION OF THE PARTIES

### The Group and Fineland Living Services

The Group is principally engaged in living services, mainly focusing in Guangzhou and elsewhere in the Greater Bay Area, as well as other parts of the PRC, through two business segments, namely comprehensive real estate agency services and professional property management services.

Fineland Living Services was incorporated in the PRC with limited liability on 17 March 1997 and is an indirectly wholly-owned subsidiary of the Company. It is principally engaged in the provision of real estate consultation, agency, market analysis and marketing services.

### The Vendor

The Vendor, Heshan Fudu Property Development Company Limited\* (鶴山市富都物業發展有限公司) was incorporated in the PRC on 10 December 2009 with limited liability and is principally engaged in property development primarily in the Guangdong Province of the PRC. It is owned as to 82%, 10.8% and 7.2% by Heshan Mingxin Property Investment Company Limited\* (鶴山市明鑫房地產投資有限公司) (“**Heshan Mingxin**”), Jiangmen Pengjiang Mingxuan Rental Company Limited\* (江門市蓬江區明軒租賃有限公司) and Jiangmen Xinfangsheng Investment Consulting Company Limited\* (江門市新方盛投資諮詢有限公司) respectively, with the ultimate beneficial owners of the latter two companies being Independent Third Parties.

Heshan Mingxin is owned as to 51% and 49% by Guangzhou Mingxin Investment Development Company Limited\* (廣州市明鑫投資發展有限公司) (“**Guangzhou Mingxin**”) and Zhuhai Fineland Lexin Equity Investment Limited Partnership\* (珠海方圓樂鑫股權投資合夥企業(有限合夥)) (“**Zhuhai Lexin**”) respectively, and is controlled by Guangzhou Mingxin. Zhuhai Lexin is controlled by Guangzhou Mingxin as to 69.8%, and the remaining 30.2% is owned by Guangzhou Zhenhui Real Estate Investment Company Limited\* (廣州市臻惠實業投資有限公司) (“**Guangzhou**

**Zhenhui**”). Guangzhou Mingxin is owned as to 100% by Guangzhou Xinwan Investment Group Company Limited\* (廣州鑫灣投資集團有限公司), which is in turn owned as to 99% and 1% by Guangzhou Bay Area International Investment Company Limited\* (廣州灣區國際投資有限公司) and Guangdong Jinhenghui Investment Consulting Company Limited\* (廣東金恒匯投資諮詢有限公司) respectively. Guangzhou Bay Area International Investment Company Limited and Guangdong Jinhenghui Investment Consulting Company Limited are owned as to 100% by the ultimate beneficial owners Zhang Qing (“**Mr. Zhang**”) and Li Yepeng respectively, both of which are Independent Third Parties. Guangzhou Zhenhui is indirectly wholly owned by Mr. Fong. As such, the Vendor is ultimately controlled by Mr. Zhang who is an Independent Third Party.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, with the exception of Guangzhou Zhenhui and Mr. Fong, the ultimate beneficial owner(s) of the Vendor are Independent Third Parties.

## **VI. LISTING RULES IMPLICATION**

As the highest applicable percentage ratio in respect of the Settlement Transactions exceeds 25% but is less than 100%, the Settlement Transactions shall constitute a major transaction of the Company under the Listing Rules and is therefore subject to reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

## **VII. GENERAL**

The EGM will be convened by the Company to consider and, if thought fit, approve the Settlement Transactions. A circular containing, among other things, further details of the Settlement Transactions, a notice of EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 17 August 2023 to allow sufficient time for the preparation of the relevant information to be included in the circular.

*The Settlement Transactions is subject to the satisfaction of the Conditions Precedent and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.*



## VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“business day”	any date (other than a Saturday or Sunday or public holiday) on which banks in the PRC are open for the transaction of normal business;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	Fineland Living Services Group Limited (方圓生活服務集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 February 2017 and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 9978);
“Completion”	being the delivery of the physical possession of each Property by the Vendor to the Relevant Purchaser(s) in accordance with the Property Presale Agreement and the Settlement Agreement;
“Completion Date”	the date of Completion;
“Conditions Precedent”	being the conditions precedent to the Settlement Agreement as provided in the section headed “ <i>Principal terms of the Settlement Agreement</i> ” of this announcement;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise refers to the controlling shareholders of the Company;
“Director(s)”	the directors of the Company;
“Down Payment”	being approximately RMB4.0 million in cash, or 20% of the Total Consideration;
“EGM”	the extraordinary general meeting to be convened by the Company for the Shareholders to consider, and if thought fit, approve the Settlement Transactions;

“Fineland Living Services”	Guangzhou Fineland Living Services Limited* (廣州方圓生活服務有限公司), a company incorporated in the PRC with limited liability on 17 March 1997, being an indirectly wholly owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	a person(s) or company(ies) who/which is or are independent of and not connected with the Group or any of their respective associates within the meaning of the Listing Rules;
“Latest Completion Date”	before 30 August 2025, being the latest Completion Date without incurring a penalty as described under the sub-paragraph “Principal terms of the Property Presale Agreement(s) — Delivery”, in this announcement;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Long Stop Date”	being 90 calendar days from the Latest Completion Date, i.e. 28 November 2025;
“Main Board”	the stock market operated by the Stock Exchange, which excludes GEM and the option market;
“Mr. Fong”	Mr. Fong Ming (方明先生), one of the Controlling Shareholders and the non-executive Director;
“Outstanding Receivables”	being approximately RMB16.0 million as part of the Total Outstanding Receivables which remained outstanding and payable by the Vendor to Fineland Living Services and its subsidiaries as at 30 April 2023;
“PRC”	the People’s Republic of China, except where the context requires otherwise, and for the purpose of this announcement only, geographical references to the PRC or China exclude Hong Kong, Macau Special Administrative Regions and Taiwan;

“Properties” (each referred to as “Property”)	being the 23 properties to be conditionally transferred by the Vendor to the Relevant Purchaser(s), the details of which are disclosed in the section headed “ <i>Information on the Properties and their Valuation</i> ” of this announcement;
“Property Presale Agreement(s)”	each refer to the conditional property presale agreement proposed to be entered into between the Vendor and the Relevant Purchaser in respect of the transfer of the Property, the principal terms of which are disclosed in the section headed “ <i>Principal terms of the Property Presale Agreement(s)</i> ” of this announcement;
“Relevant Purchaser(s)”	Fineland Living Services or its nominated subsidiary(ies) that shall enter into the Property Presale Agreement(s) with the Vendor;
“RMB”	Renminbi, the lawful currency of the PRC;
“Set-off”	the set-off of the Outstanding Receivables by Fineland Living Services and/or the Relevant Purchaser(s) against payment of the Set-off Price after all Conditions Precedent have been satisfied;
“Set-off Date”	being three (3) business days from the Set-off;
“Set-off Price”	being approximately RMB16.0 million, the determination of which can be referred to in the section headed “ <i>Information on the Properties and their Valuation</i> ” of this announcement;
“Settlement Agreement”	the agreement dated 21 June 2023 entered into between Fineland Living Services and the Vendor in respect of the payment of the Down Payment and settlement of the Outstanding Receivables by way of transfer of the Properties, the principal terms of which are disclosed in the section headed “ <i>Principal terms of the Settlement Agreement</i> ” of this announcement;
“Settlement Transactions”	the transactions as contemplated under the Settlement Agreement and the Property Presale Agreement(s);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;

“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Total Consideration”	being approximately RMB20.0 million and comprises the Down Payment and the Set-off Price;
“Total Outstanding Receivables”	being approximately RMB58.2 million, which was the total amount remained outstanding and payable by the Vendor to Finland Living Services and its subsidiaries as at 30 April 2023;
“Vendor”	Heshan Fudu Property Development Company Limited* (鶴山市富都物業發展有限公司), a company incorporated in the PRC with limited liability on 10 December 2009, and is ultimately controlled by Independent Third Parties; and
“%”	per cent.

\* For identification purposes only.

By Order of the Board  
**Finland Living Services Group Limited**  
**HAN Shuguang**  
*Chairman*

Hong Kong, 21 June 2023

*As at the date of this announcement, the executive Directors are Mr. HAN Shuguang, 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.*