

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 AND CONNECTED TRANSACTION SETTLEMENT OF OUTSTANDING RECEIVABLES**

#### **THE SETTLEMENT AGREEMENT I**

On 6 December 2023 (after trading hours), Fineland Living Services (an indirectly wholly owned subsidiary of the Company) and Vendor A entered into the Settlement Agreement I, pursuant to which, Fineland Living Services has conditionally agreed to set-off the 1<sup>st</sup> Batch Outstanding Receivables of approximately RMB13.1 million owed to it and its subsidiaries by subsidiaries of Vendor A, by way of accepting the transfer of the 1<sup>st</sup> Batch Properties from the Vendor A Subsidiaries to the Relevant Purchaser(s).

The 1<sup>st</sup> Batch Consideration shall be approximately RMB13.1 million. The 1<sup>st</sup> Batch Set-off in respect of each 1<sup>st</sup> Batch Property shall be effected on the relevant 1<sup>st</sup> Batch Set-off Date after all 1<sup>st</sup> Batch Conditions Precedent in respect of the relevant 1<sup>st</sup> Batch Property have been fulfilled whereupon:

- (i) such part of the 1<sup>st</sup> Batch Consideration (corresponding to the consideration of the relevant 1<sup>st</sup> Batch Property) shall be regarded to have paid Fineland Living Services and its subsidiaries a sum equivalent to the corresponding 1<sup>st</sup> Batch Outstanding Receivables towards its settlement thereof; and
- (ii) the Relevant Purchaser(s) shall be regarded to have paid the Vendor A Subsidiaries the relevant part of the 1<sup>st</sup> Batch Consideration and neither Vendor A nor the Vendor A Subsidiaries shall thereafter make any claim against the Relevant Purchaser(s) for such part of the 1<sup>st</sup> Batch Consideration after the relevant 1<sup>st</sup> Batch Set-off.

To effectuate the Settlement Transactions I, the Vendor A Subsidiaries and the Relevant Purchaser(s) will separately enter into the 1<sup>st</sup> Batch Property Sale Agreement(s) in respect of each of the 1<sup>st</sup> Batch Properties.

## **THE SETTLEMENT AGREEMENT II**

On 6 December 2023 (after trading hours), Finland Living Services (an indirectly wholly owned subsidiary of the Company), Vendor A and Vendor B entered into the Settlement Agreement II, pursuant to which, Finland Living Services has conditionally agreed to set-off the 2<sup>nd</sup> Batch Outstanding Receivables of approximately RMB2.7 million owed to it and its subsidiaries by a subsidiary of Vendor A (for approximately RMB2.1 million) and Vendor B (for approximately RMB0.6 million), by way of accepting the transfer of the 2<sup>nd</sup> Batch Properties from Vendor B to the Relevant Purchaser(s).

The 2<sup>nd</sup> Batch Consideration shall be approximately RMB2.7 million. The 2<sup>nd</sup> Batch Set-off in respect of each 2<sup>nd</sup> Batch Property shall be effected on the relevant 2<sup>nd</sup> Batch Set-off Date after all 2<sup>nd</sup> Batch Conditions Precedent in respect of the relevant 2<sup>nd</sup> Batch Property have been fulfilled whereupon:

- (i) such part of the 2<sup>nd</sup> Batch Consideration (corresponding to the consideration of the relevant 2<sup>nd</sup> Batch Property) shall be regarded to have paid Finland Living Services and its subsidiaries a sum equivalent to the corresponding 2<sup>nd</sup> Batch Outstanding Receivables towards its settlement thereof; and
- (ii) the Relevant Purchaser(s) shall be regarded to have paid Vendor B the relevant part of the 2<sup>nd</sup> Batch Consideration and neither Vendor A nor Vendor B shall thereafter make any claim against the Relevant Purchaser(s) for such part of the 2<sup>nd</sup> Batch Consideration after the relevant 2<sup>nd</sup> Batch Set-off.

To effectuate the Settlement Transactions II, Vendor B and the Relevant Purchaser(s) will separately enter into the 2<sup>nd</sup> Batch Property Sale Agreement(s) in respect of each of the 2<sup>nd</sup> Batch Properties.

## **LISTING RULES IMPLICATION**

As at the date of this announcement, Mr. Fong, being a Controlling Shareholder and a non-executive Director, is the sole ultimate beneficial owner of Vendor A. Therefore, Vendor A is a connected person of the Company as defined under the Listing Rules. As such, the Settlement Transactions shall constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

## **GENERAL**

In view of the above, an EGM will be convened, during which ordinary resolutions will be proposed to the Independent Shareholders to consider and if appropriate, approve of the Settlement Transactions. Any vote of the Independent Shareholders at the EGM will be taken by poll.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the terms of the Settlement Transactions are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM. Optima Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same issues.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, among other things, (i) details of the Settlement Transactions; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser; (iv) financial information of the Group; (v) a valuation report in respect of the Properties; and (vi) a notice to convene the EGM will be despatched to the Shareholders on or before 22 December 2023.

## **I. THE SETTLEMENT AGREEMENT I**

### **Principle terms of Settlement Agreement I**

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

Date : 6 December 2023

Parties : (1) Vendor A; and

(2) Finland Living Services (collectively, the “Parties”)

Subject matter : The Parties acknowledged and confirmed that the 1<sup>st</sup> Batch Outstanding Receivables for part of the property management services and real estate agency services provided by Finland Living Services and its subsidiaries remaining outstanding and payable by subsidiaries of Vendor A as at 31 October 2023 was approximately RMB13.1 million.

Settlement arrangement : Finland Living Services has conditionally agreed to set-off the 1<sup>st</sup> Batch Outstanding Receivables of approximately RMB13.1 million, by way of accepting the transfer of the 1<sup>st</sup> Batch Properties from the Vendor A Subsidiaries to the Relevant Purchaser(s).

The transfer of each of the 1<sup>st</sup> Batch Properties shall be effected by the Relevant Purchaser(s) and the relevant Vendor A Subsidiary entering into the relevant 1<sup>st</sup> Batch Property Sale Agreement. For the principal terms of the 1<sup>st</sup> Batch Property Sale Agreement(s), please refer to the section headed “Principal terms of the 1<sup>st</sup> Batch Property Sale Agreement(s)” of this announcement.

The 1<sup>st</sup> Batch Set-off in respect of each 1<sup>st</sup> Batch Property shall be effected on the relevant 1<sup>st</sup> Batch Set-off Date after all 1<sup>st</sup> Batch Conditions Precedent in respect of the relevant 1<sup>st</sup> Batch Property have been fulfilled whereupon:

(i) such part of the 1<sup>st</sup> Batch Consideration (corresponding to the consideration of the relevant 1<sup>st</sup> Batch Property) shall be regarded to have paid Finland Living Services and its subsidiaries a sum equivalent to the corresponding 1<sup>st</sup> Batch Outstanding Receivables towards its settlement thereof; and

- (ii) the Relevant Purchaser(s) shall be regarded to have paid the Vendor A Subsidiaries the relevant part of the 1<sup>st</sup> Batch Consideration and neither Vendor A nor the Vendor A Subsidiaries shall make any claim against the Relevant Purchaser(s) for such part of the 1<sup>st</sup> Batch Consideration after the relevant 1<sup>st</sup> Batch Set-off.

The Properties : The Relevant Purchaser(s) and the Vendor A Subsidiaries agreed to enter into the relevant 1<sup>st</sup> Batch Property Sale Agreements within 60 business days after entering into the Settlement Agreement I.

The Parties agreed that the rights to use and occupy each of the 1<sup>st</sup> Batch Properties shall be transferred to Fineland Living Services within 90 days after entering into the relevant 1<sup>st</sup> Batch Property Sale Agreement.

After entering into the 1<sup>st</sup> Batch Property Sale Agreements, the 1<sup>st</sup> Batch Title Certificate Applications shall be made by the Vendor A Subsidiaries and the Relevant Purchaser(s) with relevant local housing authority within the time limit as prescribed under the 1<sup>st</sup> Batch Property Sale Agreements.

For details of the 1<sup>st</sup> Batch Properties, please refer to the section headed “Information on the Properties and Their Valuation” of this announcement.

Conditions precedent : The 1<sup>st</sup> Batch Set-off in respect of each 1<sup>st</sup> Batch Property is conditional upon:

- (i) the Relevant Purchaser has completed due diligence on the relevant 1<sup>st</sup> Batch Property and is satisfied with the results thereof;
- (ii) the transaction documents contemplated under the Settlement Transactions I (being the Settlement Agreement I and the 1<sup>st</sup> Batch Property Sale Agreement) 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 I;
- (v) there is no title defect or any title defect in the 1<sup>st</sup> Batch Property has been cleared, including but not limited to any mortgage, pledge, guarantee, trusteeship, encumbrance or other impediments that may subject the 1<sup>st</sup> Batch Property to recourse or claims by third parties;
- (vi) the 1<sup>st</sup> Batch Title Certificate has been obtained by the Relevant Purchaser; and
- (vii) at any time from the date of the Settlement Agreement I to the 1<sup>st</sup> Batch Title Certificate 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 I, and no third party has proposed any ongoing or imminent claims, assertions or demands that may restrict the performance of the Settlement Agreement I.

None of the above 1<sup>st</sup> Batch Conditions Precedent can be waived.

In the event any of the 1<sup>st</sup> Batch Conditions Precedent cannot be fulfilled before the 1<sup>st</sup> Batch Long Stop Date, Finland Living Services shall be entitled to rescind or partially rescind the Settlement Agreement I whereby Finland Living Services shall have the right to release the obligations of subsidiaries of Vendor A in respect of the 1<sup>st</sup> Batch Outstanding Receivables corresponding to the units of the 1<sup>st</sup> Batch Properties where the 1<sup>st</sup> Batch Title Certificates have been obtained by the Relevant Purchaser(s), and partially rescind the Settlement Agreement I in respect of the remaining obligations of subsidiaries of Vendor A corresponding to the remaining 1<sup>st</sup> Batch Properties where the 1<sup>st</sup> Batch Title Certificates are yet to be obtained. In respect of the rescinded obligations of subsidiaries of Vendor A, Vendor A and its subsidiaries shall unconditionally reverse the relevant 1<sup>st</sup> Batch Set-off and subsidiaries of Vendor A shall continue to be obliged to fulfill its payment obligations in connection with the relevant amount of the 1<sup>st</sup> Batch Outstanding Receivables and other outstanding receivables owed to Finland Living Services and its subsidiaries.

Representations,  
warranties and  
undertakings

: In addition to the representations and warranties given by the Parties, Vendor A has further made the following undertakings:

- (i) it shall unconditionally agree and accept the reversal of the relevant 1<sup>st</sup> Batch Set-off if any 1<sup>st</sup> Batch Completion cannot take place on or before the 1<sup>st</sup> Batch Long Stop Date, and Finland Living Services elects to rescind or partially rescind the Settlement Agreement I. Its subsidiaries shall continue to be obliged to fulfill their payment obligations in connection with the relevant amount of the 1<sup>st</sup> Batch Outstanding Receivables and other outstanding receivables owed to Finland Living Services and its subsidiaries;

- (ii) save as governed by the terms of the Settlement Agreement I, neither Vendor A nor the Vendor A Subsidiaries shall sell the 1<sup>st</sup> Batch Properties to more than one party; and
- (iii) any business or operational qualification and compliance liability risks related to its 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 1<sup>st</sup> Batch Completion Date shall be borne by it and shall have nothing to do with Fineland Living Services. It shall be fully liable to compensate Fineland Living Services if Fineland Living Services suffers loss or damage as a result of the aforementioned risks or responsibilities.

#### **Principal terms of the 1<sup>st</sup> Batch Property Sale Agreement(s)**

Each of the relevant Vendor A Subsidiaries and the Relevant Purchaser(s) shall enter into the 1<sup>st</sup> Batch Property Sale Agreement(s) within the time limit as prescribed under the Settlement Agreement I, pursuant to which the relevant Vendor A Subsidiaries shall sell and the Relevant Purchaser(s) shall purchase the relevant 1<sup>st</sup> Batch Property at the relevant property purchase price free from encumbrances. The 1<sup>st</sup> Batch Property Sale Agreements in their standard forms, are substantially identical to each other.

#### **1<sup>st</sup> Batch Consideration and basis of determination of the 1<sup>st</sup> Batch Consideration**

The 1<sup>st</sup> Batch Consideration in respect of the Settlement Agreement I was arrived at after arm's length negotiation between Fineland Living Services and Vendor A, with reference to, amongst others, the preliminary valuation conducted by an independent valuer on the 1<sup>st</sup> Batch Properties. Vendor A has agreed and undertaken to settle the 1<sup>st</sup> Batch Outstanding Receivables by way of transfer of the 1<sup>st</sup> Batch Properties in exchange of which, Fineland Living Services has conditionally agreed to set-off the 1<sup>st</sup> Batch Outstanding Receivables in the amount of approximately RMB13.1 million due from subsidiaries of Vendor A pursuant to contracts entered into between Fineland Living Services and its subsidiaries and subsidiaries of Vendor A for the provision of property management services and real estate agency services by Fineland Living Services and its subsidiaries to subsidiaries of Vendor A.



For the basis of determination on the valuation of the 1<sup>st</sup> Batch Properties, please refer to the section headed “Information on the Properties and Their Valuation” of this announcement.

## II. THE SETTLEMENT AGREEMENT II

### Principle terms of Settlement Agreement II

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

- Date : 6 December 2023
- Parties : (1) Vendor A;  
(2) Vendor B; and  
(3) Fineland Living Services (collectively, the “Parties”)
- Subject matter : The Parties acknowledged and confirmed that the 2<sup>nd</sup> Batch Outstanding Receivables for part of the real estate agency services provided by Fineland Living Services and its subsidiaries remaining outstanding and payable by a subsidiary of Vendor A and Vendor B as at 31 October 2023 was approximately RMB2.1 million and RMB0.6 million, respectively.
- Settlement arrangement : Fineland Living Services has conditionally agreed to set-off the 2<sup>nd</sup> Batch Outstanding Receivables of approximately RMB2.7 million, by way of accepting the transfer of the 2<sup>nd</sup> Batch Properties from Vendor B to the Relevant Purchaser(s).

The transfer of each of the 2<sup>nd</sup> Batch Properties shall be effected by the Relevant Purchaser and Vendor B entering into the relevant 2<sup>nd</sup> Batch Property Sale Agreement. For the principal terms of the 2<sup>nd</sup> Batch Property Sale Agreement(s), please refer to the section headed “Principal terms of the 2<sup>nd</sup> Batch Property Sale Agreement(s)” of this announcement.

The 2<sup>nd</sup> Batch Set-off in respect of each 2<sup>nd</sup> Batch Property shall be effected on the relevant 2<sup>nd</sup> Batch Set-off Date after all 2<sup>nd</sup> Batch Conditions Precedent in respect of the relevant 2<sup>nd</sup> Batch Property have been fulfilled whereupon:

- (i) such part of the 2<sup>nd</sup> Batch Consideration (corresponding to the consideration of the relevant 2<sup>nd</sup> Batch Property) shall be regarded to have paid Finland Living Services and its subsidiaries a sum equivalent to the corresponding 2<sup>nd</sup> Batch Outstanding Receivables towards its settlement thereof; and
- (ii) the Relevant Purchaser(s) shall be regarded to have paid Vendor B the relevant part of the 2<sup>nd</sup> Batch Consideration and neither Vendor A nor Vendor B shall make any claim against the Relevant Purchaser(s) for such part of the 2<sup>nd</sup> Batch Consideration after the relevant 2<sup>nd</sup> Batch Set-off.

The Properties : The Relevant Purchaser(s) and Vendor B will enter into the relevant 2<sup>nd</sup> Batch Property Sale Agreements within 20 business days after entering into the Settlement Agreement II.

The Parties agreed that the rights to use and occupy each of the 2<sup>nd</sup> Batch Properties shall be transferred to Finland Living Services within 90 days after entering into the relevant 2<sup>nd</sup> Batch Property Sale Agreement.

After entering into the 2<sup>nd</sup> Batch Property Sale Agreements, the 2<sup>nd</sup> Batch Title Certificate Applications shall be made by Vendor B and the Relevant Purchaser(s) with relevant local housing authority within the time limit as prescribed under the 2<sup>nd</sup> Batch Property Sale Agreement.

For details of the 2<sup>nd</sup> Batch Properties, please refer to the section headed “Information on the Properties and Their Valuation” of this announcement.

Conditions precedent : The 2<sup>nd</sup> Batch Set-off in respect of each 2<sup>nd</sup> Batch Property is conditional upon:

- (i) the Relevant Purchaser has completed due diligence on the relevant 2<sup>nd</sup> Batch Property and is satisfied with the results thereof;
- (ii) the transaction documents contemplated under the Settlement Transactions II (being the Settlement Agreement II and the 2<sup>nd</sup> Batch Property Sale Agreement) 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 II;
- (v) there is no title defect or any title defect in the 2<sup>nd</sup> Batch Property has been cleared, including but not limited to any mortgage, pledge, guarantee, trusteeship, encumbrance or other impediments that may subject the 2<sup>nd</sup> Batch Property to recourse or claims by third parties;
- (vi) the 2<sup>nd</sup> Batch Title Certificate has been obtained by the Relevant Purchaser; and

(vii) at any time from the date of the Settlement Agreement II to the 2<sup>nd</sup> Batch Title Certificate 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 II, and no third party has proposed any ongoing or imminent claims, assertions or demands that may restrict the performance of the Settlement Agreement II.

None of the above 2<sup>nd</sup> Batch Conditions Precedent can be waived.

In the event any of the 2<sup>nd</sup> Batch Conditions Precedent cannot be fulfilled before the 2<sup>nd</sup> Batch Long Stop Date, Fineland Living Services shall be entitled to rescind or partially rescind the Settlement Agreement II whereby Fineland Living Services shall have the right to release the obligations of the subsidiary of Vendor A and Vendor B in respect of the 2<sup>nd</sup> Batch Outstanding Receivables corresponding to the units of the 2<sup>nd</sup> Batch Properties where the 2<sup>nd</sup> Batch Title Certificates have been obtained by the Relevant Purchaser(s), and partially rescind the Settlement Agreement II in respect of the remaining obligations of the subsidiary of Vendor A and Vendor B corresponding to the remaining 2<sup>nd</sup> Batch Properties where the 2<sup>nd</sup> Batch Title Certificates are yet to be obtained. In respect of the rescinded obligations of the subsidiary of Vendor A and Vendor B, Vendor A (and its subsidiary) and Vendor B shall unconditionally reverse the relevant 2<sup>nd</sup> Batch Set-off and each of the subsidiary of Vendor A and Vendor B shall continue to be obliged to fulfil its payment obligations in connection with the relevant amount of the 2<sup>nd</sup> Batch Outstanding Receivables and other outstanding receivables owed to Fineland Living Services and its subsidiaries.

In the case that the Settlement Agreement II is partially rescinded in accordance with the terms and conditions set out in the Settlement Agreement II, the payment obligations of Vendor B in respect of the corresponding 2<sup>nd</sup> Batch Outstanding Receivables shall be released as a matter of priority.

Representations,  
warranties and  
undertakings

: In addition to the representations and warranties given by the Parties, each of Vendor A and Vendor B has further made the following undertakings:

- (i) it shall unconditionally agree and accept the reversal of the relevant 2<sup>nd</sup> Batch Set-off if any 2<sup>nd</sup> Batch Completion cannot take place on or before the 2<sup>nd</sup> Batch Long Stop Date, and Fineland Living Services elects to rescind or partially rescind the Settlement Agreement II. The subsidiary of Vendor A and Vendor B shall continue to be obliged to fulfill their payment obligations in connection with the relevant amount of the 2<sup>nd</sup> Batch Outstanding Receivables and other outstanding receivables owed to Fineland Living Services and its subsidiaries;
- (ii) save as governed by the terms of the Settlement Agreement II, it shall not sell the 2<sup>nd</sup> Batch Properties to more than one party; and
- (iii) any business or operational qualification and compliance liability risks related to its 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 2<sup>nd</sup> Batch Completion Date shall be borne by it and shall have nothing to do with Fineland Living Services. It shall be fully liable to compensate Fineland Living Services if Fineland Living Services suffers loss or damage as a result of the aforementioned risks or responsibilities.

For the avoidance of doubt, the Settlement Transactions I and the Settlement Transactions II are not inter-conditional upon each other.

### **Principal terms of the 2<sup>nd</sup> Batch Property Sale Agreement(s)**

Vendor B and the Relevant Purchaser(s) shall enter into the 2<sup>nd</sup> Batch Property Sale Agreement(s) within the time limit as prescribed under the Settlement Agreement II, pursuant to which Vendor B shall sell and the Relevant Purchaser(s) shall purchase the relevant 2<sup>nd</sup> Batch Property at the relevant property purchase price free from encumbrances. The 2<sup>nd</sup> Batch Property Sale Agreements in their standard forms, are substantially identical to each other.

### **2<sup>nd</sup> Batch Consideration and basis of determination of the 2<sup>nd</sup> Batch Consideration**

The 2<sup>nd</sup> Batch Consideration in respect of the Settlement Agreement II was arrived at after arm's length negotiation between Fineland Living Services, Vendor A and Vendor B, with reference to, amongst others, the preliminary valuation conducted by an independent valuer on the 2<sup>nd</sup> Batch Properties. Each of Vendor A and Vendor B has agreed and undertaken to settle the 2<sup>nd</sup> Batch Outstanding Receivables by way of transfer of the 2<sup>nd</sup> Batch Properties in exchange of which, Fineland Living Services has conditionally agreed to set-off the 2<sup>nd</sup> Batch Outstanding Receivables in the amount of approximately RMB2.7 million due from a subsidiary of Vendor A and Vendor B pursuant to contracts Fineland Living Services and its subsidiaries entered into with the subsidiary of Vendor A and Vendor B for the provision of real estate agency services by Fineland Living Services and its subsidiaries to the subsidiary of Vendor A and Vendor B, respectively.

For the basis of determination on the valuation of the 2<sup>nd</sup> Batch Properties, please refer to the section headed "Information on the Properties and Their Valuation" of this announcement.

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

### **The 1<sup>st</sup> Batch Properties**

The 1<sup>st</sup> Batch Properties consist of (i) seven commercial properties with a total gross floor area of approximately 637.0 square meters, situated in a private housing complex, block 32 of Yunshan Poetry Garden I\* (雲山詩意花園一期) located in No. 268, South Tiyu Road, Chikan District, Zhanjiang City, Guangdong Province of the PRC; and (ii) six car parking spaces with a gross floor area of approximately 175.3 square meters situated in a private housing complex of Fangyuan Xinhui Moon Island Mansion\* (方圓•新會月島首府) located in No. 9 Huikang Road, Huicheng, Xinhui District, Jiangmen City, Guangdong Province of the PRC.

According to the publicly available information and as represented by Vendor A:

- (i) Yunshan Poetry Garden I is a residential and commercial development and has a gross floor area of approximately 76,000 square meters comprising 4 blocks of residential units and commercial units. Zhanjiang Shangpin, being a non-wholly owned subsidiary of Vendor A, is the developer and the registered legal and beneficial owner of Yunshan Poetry Garden I. The construction of the relevant 1<sup>st</sup> Batch Properties situated in Yunshan Poetry Garden I has been completed in June 2023 and it is expected that the relevant completion acceptance certification (建設工程竣工驗收備案證明文件) will be obtained in December 2023, upon which, Zhanjiang Shangpin will be entitled to enter into the relevant 1<sup>st</sup> Batch Property Sale Agreements with the Relevant Purchaser(s); and
- (ii) Fangyuan Xinhui Moon Island Mansion is a residential and commercial development and has a gross floor area of approximately 283,000 square meters comprising 17 blocks of residential units and commercial units. Jiangmen Hengjie, being a non-wholly owned subsidiary of Vendor A, is the developer and the registered legal and beneficial owner of Fangyuan Xinhui Moon Island Mansion. The development of the relevant 1<sup>st</sup> Batch Properties situated in Fangyuan Xinhui Moon Island Mansion has been completed in 2021. Since Jiangmen Hengjie is in the process of renewing its real estate development qualification grade certificate (《房地產開發資質等級證書》), it will not be entitled to enter into the relevant 1<sup>st</sup> Batch Property Sale Agreements with the relevant Purchaser(s) until the completion of renewal of such certificate, which is expected to be in January 2024.

### **Valuation of the 1<sup>st</sup> Batch Properties**

The 1<sup>st</sup> Batch Consideration shall be approximately RMB13.1 million. The value of the 1<sup>st</sup> Batch Properties was determined after arm's length negotiation between Finland Living Services and Vendor A with reference to the preliminary valuation conducted by an independent valuer on the 1<sup>st</sup> Batch Properties, with the market value of the 1<sup>st</sup> Batch Properties of approximately RMB13.0 million as at 31 October 2023. The independent valuer has considered, among other things, the market selling prices of comparable properties.

### **The 2<sup>nd</sup> Batch Properties**

The 2<sup>nd</sup> Batch Properties consist of four commercial properties with a total gross floor area of approximately 149.2 square meters, situated in a private housing complex, Fangyuan Zengcheng Yunxi (Guangzhou)\* (方圓•廣州增城雲璽) located in West Fourth Street, Shitan Town, Zengcheng District, Guangzhou, Guangdong Province of the PRC.

According to the publicly available information and as represented by Vendor B, Fangyuan Zengcheng Yunxi (Guangzhou)\* (方圓•廣州增城雲璽) is a residential and commercial development and has a gross floor area of approximately 74,000 square meters comprising 4 blocks of residential units and commercial units. Vendor B is the developer and the registered legal and beneficial owner of Fangyuan Zengcheng Yunxi (Guangzhou). The development of the 2<sup>nd</sup> Batch Properties situated in Fangyuan Zengcheng Yunxi (Guangzhou) has been completed in 2022.

### **Valuation of the 2<sup>nd</sup> Batch Properties**

The 2<sup>nd</sup> Batch Consideration shall be approximately RMB2.7 million. The value of the 2<sup>nd</sup> Batch Properties was determined after arm's length negotiation among Finland Living Services, Vendor A and Vendor B with reference to the preliminary valuation conducted by an independent valuer on the 2<sup>nd</sup> Batch Properties, with the market value of the 2<sup>nd</sup> Batch Properties of approximately RMB3.1 million as at 31 October 2023. The independent valuer has considered, among other things, the market selling prices of comparable properties.

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

As at 31 October 2023, the 1<sup>st</sup> Batch Outstanding Receivables, being part of the amounts due from subsidiaries of Vendor A was approximately RMB13.1 million. Upon 1<sup>st</sup> Batch Completion Date in respect of each 1<sup>st</sup> Batch Property, such part of the 1<sup>st</sup> Batch Outstanding Receivables (corresponding to the consideration of the relevant 1<sup>st</sup> Batch Property) will be derecognised by the recognition of the acquisition of an investment property measured at market value. Each 1<sup>st</sup> Batch Property will be recognized as an investment property on the relevant 1<sup>st</sup> Batch 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 RMB0.5 million in connection with the Settlement Transactions I which include deed tax, stamp duty and other fees and expenses (excluding professional fees) on the acquisition of 1<sup>st</sup> Batch Properties.

As at 31 October 2023, the 2<sup>nd</sup> Batch Outstanding Receivables, being part of the amounts due from a subsidiary of Vendor A and Vendor B was approximately RMB2.1 million and RMB0.6 million, respectively. Upon 2<sup>nd</sup> Batch Completion Date in respect of each 2<sup>nd</sup> Batch Property, such part of the 2<sup>nd</sup> Batch Outstanding Receivables (corresponding to the consideration of the relevant 2<sup>nd</sup> Batch Property) will be derecognised by the recognition of the acquisition of an investment property measured at market value. Each 2<sup>nd</sup> Batch Property will be recognized as an investment property on the relevant 2<sup>nd</sup> Batch 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 RMB0.1 million in connection with the Settlement Transactions II which include deed tax, stamp duty and other fees and expenses (excluding professional fees) on the acquisition of 2<sup>nd</sup> Batch Properties.

The professional fees attributable to the Settlement Transactions (including Settlement Transactions I and Settlement Transactions II) is approximately RMB0.9 million which is not contingent on the completion of the acquisition of any Properties.

Save as disclosed above, the Directors consider 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 I or the Settlement Transactions II.

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

The Settlement Transactions I was entered into as the subsidiaries of Vendor A were unable to settle the 1<sup>st</sup> Batch Outstanding Receivables on schedule. The 1<sup>st</sup> Batch Outstanding Receivables arose from property management services and real estate agency services provided by Finland Living Services and its subsidiaries to subsidiaries of Vendor A in the past. The Company had taken various measures to recover the 1<sup>st</sup> Batch Outstanding Receivables, including periodically demanding payments through oral and electronic means as well as organizing physical meetings. With continuous effort, it is finally agreed between the Company and Vendor A that the 1<sup>st</sup> Batch Properties are to be transferred to the Relevant Purchaser(s) as full settlement of the 1<sup>st</sup> Outstanding Receivables.

Likewise, the Settlement Transactions II was entered into as each of the subsidiary of Vendor A and Vendor B were unable to settle the respective 2<sup>nd</sup> Batch Outstanding Receivables on schedule. The 2<sup>nd</sup> Batch Outstanding Receivables arose from real estate agency services provided by Finland Living Services and its subsidiaries to each of the subsidiary of Vendor A and Vendor B in the past. Similar measures had been taken by the Company to recover the 2<sup>nd</sup> Batch Outstanding Receivables. With continuous efforts, the Company had finally reached an agreement with Vendor A and Vendor B that the 2<sup>nd</sup> Batch Properties are to be transferred to the Relevant Purchaser(s) as full settlement of the 2<sup>nd</sup> Batch Outstanding Receivables.

Since late 2022, the PRC national government has implemented a series of progressive policies aimed at stimulating housing consumption. These measures have allowed regional governments to ease minimum mortgage down payments, reduce housing provident fund loan interest rates, and relax mortgage rates. Consequently, these supportive measures have strengthened the market demand for houses and boosted the

recovery in the PRC property market. Zhanjiang City, Jiangmen City, and Guangzhou City, being the cities situated in or near the Greater Bay Area development zone, have attracted considerable interest from investors, both from the PRC and Hong Kong. The presence of these investors has further fueled the demand for housing in these areas, potentially leading to an uptick in housing prices, which in turn, also creates a ripple effect that positively impacts the buying and selling of commercial properties. Recognizing the potential upside in the resale value of the Properties, the Company has decided to hold onto them for investment purposes, with the intention of capitalizing on the right opportunity to sell and maximize returns.

The Company had considered the risks associated with the Settlement Transactions. In accordance with the terms of the Settlement Agreements, if any of the Conditions Precedent cannot be fulfilled, Fineland Living Services shall be entitled to rescind or partially rescind the Settlement Agreements accordingly.

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 Outstanding Receivables by settling the Consideration 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.

The Directors (including the independent non-executive Directors) consider the Settlement Transactions being fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(i) Mr. Fong (due to his shareholding interests in Vendor A); (ii) Ms. Tse (due to the acting-in-concert arrangement with Mr. Fong); and (iii) Mr. Han (due to his directorship in Vendor A) are regarded as having material interests in the Settlement Transactions. As such, they have abstained from voting on the Board resolutions approving the Settlement Transactions.

Save as disclosed above, none of the other Directors had a material interest or otherwise required to abstain from voting on the Board resolutions approving the Settlement Transactions.

## **VI. INFORMATION ON THE PARTIES**

### **The Group and Finland 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.

Finland 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.

### **Vendor A**

Vendor A is a company established under the laws of the PRC with limited liability on 4 October 1995. Vendor A is principally engaged in the business of property development and operation. As at the date of this announcement, Mr. Fong, being a Controlling Shareholder and a non-executive Director, is the sole ultimate beneficial owner of Vendor A. Therefore, Vendor A is a connected person of the Company.

### **Vendor B**

Vendor B is a company established under the laws of the PRC with limited liability on 24 July 2018. Vendor B is principally engaged in property development. As at the date of this announcement, it is owned as to approximately 67.5% by Mr. Zheng Pin (鄭聘), 22.5% by Mr. Huo Zhiguo (霍志國), 5.0% by Mr. Zhuang Jiangyong (莊江勇) and 5.0% by Mr. Li Qiyong (李琪勇), each of whom is an Independent Third Party. Vendor B was an indirectly wholly owned subsidiary of Vendor A prior to 28 June 2022.

## **VII. ZM SETTLEMENT AGREEMENT**

On 10 January 2023, Zhuhai Fangyuan, being an indirectly non-wholly owned subsidiary of the Company, and Zhuhai Mingzhen, entered into a settlement agreement, pursuant to which, Zhuhai Fangyuan agreed to set-off trade receivables of approximately RMB1,643,000 owed to it by Zhuhai Mingzhen, by way of accepting the transfer of the ZM Property from Zhuhai Mingzhen to Zhuhai Fangyuan.

As at the date of this announcement, Zhuhai Fangyuan has obtained the title certificate (《不動產權證書》) in respect of the ZM Property and the outstanding receivables of RMB1,643,000 owed to Zhuhai Fangyuan by Zhuhai Mingzhen has been derecognised by the recognition of the acquisition of the ZM Property.

As at the date of the ZM Settlement Agreement, Mr. Fong, being a Controlling Shareholder and a non-executive Director, is the sole ultimate beneficial owner of the Zhuhai Mingzhen. Therefore, Zhuhai Mingzhen is a connected person of the Company as defined under the Listing Rules. As such, the ZM Settlement Transaction shall constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the ZM Settlement Transaction at the date of the ZM Settlement Agreement is less than 5% and the amount of the set-off trade receivables is less than HK\$3,000,000, the ZM Settlement Transaction is fully exempt from reporting, announcement, circular and independent shareholders' approval requirements under 14A of the Listing Rules. Please refer to note 22 to the unaudited condensed consolidated financial statements in the interim report of the Company for the six months ended 30 June 2023 for details of the ZM Settlement Transaction.

## **VIII. LISTING RULES IMPLICATION**

As at the date of this announcement, Mr. Fong, being a Controlling Shareholder and a non-executive Director, is the sole ultimate beneficial owner of Vendor A. Therefore, Vendor A is a connected person of the Company as defined under the Listing Rules. As such, the Settlement Transactions shall constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

## **IX. INDEPENDENT SHAREHOLDERS' APPROVAL**

In view of the above, an EGM will be convened, during which ordinary resolutions will be proposed to the Independent Shareholders to consider and if appropriate, approve the Settlement Transactions. Any vote of the Independent Shareholders at the EGM will be taken by poll.

Shareholders with material interests, namely (i) Mr. Fong, through Mansion Green (due to his shareholding interests in Vendor A); (ii) Ms. Tse, through Mansion Green (due to the acting-in-concert arrangement with Mr. Fong); (iii) Mr. Han and Mr. Xu (due to their respective directorships in Vendor A and its subsidiaries); (iv) Mr. Chen (due to his directorship in a subsidiary of Vendor A); and (v) each of their respective associates, who in aggregate hold 235,500,000 Shares, representing approximately

58.875% of the issued share capital of the Company, will be required to abstain from voting on the relevant resolutions to be proposed at the EGM. As at the date of this announcement, Mr. Fong and Ms. Tse indirectly through Mansion Green, hold 216,000,000 Shares, representing approximately 54.0% of the issued share capital of the Company; (i) Mr. Fong separately directly holds 6,000,000 Shares, representing approximately 1.5% of the issued share capital of the Company; and (ii) Each of Mr. Han, Mr Xu and Mr. Chen indirectly holds 4,500,000 Shares, representing approximately 1.125% each of the issued share capital of the Company.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the terms of the Settlement Transactions are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM. Optima Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same issues.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, among other things, (i) details of the Settlement Transactions; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser; (iv) financial information of the Group; (v) a valuation report in respect of the Properties; and (vi) a notice to convene the EGM will be despatched to the Shareholders on or before 22 December 2023.

***The Settlement Transactions are 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.***

## **X. DEFINITIONS**

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

- |   |   |
|---|---|
| “1 <sup>st</sup> Batch Completion”      | being completion of each individual 1 <sup>st</sup> Batch Property where all the 1 <sup>st</sup> Batch Conditions Precedent in respect of each such 1 <sup>st</sup> Batch Property have been obtained and fulfilled, and which shall be effected on or before the 1 <sup>st</sup> Batch Long Stop Date; |
| “1 <sup>st</sup> Batch Completion Date” | the date of the relevant 1 <sup>st</sup> Batch Completion;  |

“1 <sup>st</sup> Batch Conditions Precedent”	being the conditions precedent to the Settlement Agreement I in respect of each individual 1 <sup>st</sup> Batch Property as provided in the section headed “Principal terms of the Settlement Agreement I” of this announcement;
“1 <sup>st</sup> Batch Consideration”	being approximately RMB13.1 million, the determination of which can be referred to in the section headed “Information on the Properties and Their Valuation” of this announcement;
“1 <sup>st</sup> Batch Long Stop Date”	being 30 March 2026;
“1 <sup>st</sup> Batch Outstanding Receivables”	being approximately RMB13.1 million which remained outstanding and payable by subsidiaries of Vendor A to Fineland Living Services and its subsidiaries as at 31 October 2023 for part of the property management services and real estate agency services provided by Fineland Living Services and its subsidiaries;
“1 <sup>st</sup> Batch Properties” (each referred to as a “1 <sup>st</sup> Batch Property”)	being the seven commercial properties situated in Yunshan Poetry Garden I and six car parking spaces situated in Fangyuan Xinhui Moon Island Mansion to be conditionally transferred by the Vendor A Subsidiaries to the Relevant Purchaser(s), the details of which are disclosed in the section headed “Information on the Properties and Their Valuation” of this announcement;
“1 <sup>st</sup> Batch Property Sale Agreement(s)”	each referring to the conditional property sale agreement proposed to be entered into between the relevant Vendor A Subsidiaries and the Relevant Purchaser(s) in respect of the transfer of the relevant 1 <sup>st</sup> Batch Property, the principal terms of which are disclosed in the section headed “Principal terms of the 1 <sup>st</sup> Batch Property Sale Agreement(s)” of this announcement;

“1 <sup>st</sup> Batch Set-off”	the set-off of the relevant part of the 1 <sup>st</sup> Batch Outstanding Receivables by Finland Living Services and/or the Relevant Purchaser(s) against payment of the corresponding part of the 1 <sup>st</sup> Batch Consideration after all 1 <sup>st</sup> Batch Conditions Precedent in respect of the relevant 1 <sup>st</sup> Batch Property have been satisfied;
“1 <sup>st</sup> Batch Set-off Date”	being the 3rd business day after the relevant 1 <sup>st</sup> Batch Completion;
“1 <sup>st</sup> Batch Title Certificate(s)”	the title certificate(s) (《不動產權證書》) of the relevant 1 <sup>st</sup> Batch Property(ies);
“1 <sup>st</sup> Batch Title Certificate Application(s)”	the application(s) of the title certificate (《不動產權證書》) of the relevant 1 <sup>st</sup> Batch Properties made by Vendor A Subsidiaries and the Relevant Purchaser(s) with relevant local housing authority and the receipt of the application acknowledgment slip (遞件回執) by the Relevant Purchaser(s);
“1 <sup>st</sup> Batch Title Certificate Date”	being the date that the Relevant Purchaser(s) obtain the relevant 1 <sup>st</sup> Batch Title Certificate(s);
“2 <sup>nd</sup> Batch Completion”	being completion of each individual 2 <sup>nd</sup> Batch Property, where all the 2 <sup>nd</sup> Batch Conditions Precedent in respect of each such 2 <sup>nd</sup> Batch Property have been obtained and fulfilled, and which shall be effected on or before the 2 <sup>nd</sup> Batch Long Stop Date;
“2 <sup>nd</sup> Batch Completion Date”	the date of the relevant 2 <sup>nd</sup> Batch Completion;
“2 <sup>nd</sup> Batch Conditions Precedent”	being the conditions precedent to the Settlement Agreement II in respect of each individual 2 <sup>nd</sup> Batch Property as provided in the section headed “Principal terms of the Settlement Agreement II” of this announcement;
“2 <sup>nd</sup> Batch Consideration”	being approximately RMB2.7 million, the determination of which can be referred to in the section headed “Information on the Properties and Their Valuation” of this announcement;

“2 <sup>nd</sup> Batch Long Stop Date”	being 24 January 2025;
“2 <sup>nd</sup> Batch Outstanding Receivables”	being approximately RMB2.7 million which remained outstanding and payable as to RMB2.1 million and RMB0.6 million by a subsidiary of Vendor A and Vendor B, respectively, to Finland Living Services and its subsidiaries as at 31 October 2023 for part of the real estate agency services provided by Finland Living Services and its subsidiaries;
“2 <sup>nd</sup> Batch Properties” (each referred to as a “2 <sup>nd</sup> Batch Property”)	being the four commercial properties situated in Fangyuan Zengcheng Yunxi (Guangzhou) to be conditionally transferred by Vendor B to the Relevant Purchaser(s), the details of which are disclosed in the section headed “Information on the Properties and Their Valuation” of this announcement;
“2 <sup>nd</sup> Batch Property Sale Agreement(s)”	each referring to the conditional property sale agreement proposed to be entered into between Vendor B and the Relevant Purchaser(s) in respect of the transfer of the relevant 2 <sup>nd</sup> Batch Property, the principal terms of which are disclosed in the section headed “Principal terms of the 2 <sup>nd</sup> Batch Property Sale Agreement(s)” of this announcement;
“2 <sup>nd</sup> Batch Set-off”	the set-off of the relevant part of the 2 <sup>nd</sup> Batch Outstanding Receivables by Finland Living Services and/or the Relevant Purchaser(s) against payment of the corresponding part of the 2 <sup>nd</sup> Batch Consideration after all 2 <sup>nd</sup> Batch Conditions Precedent in respect of the relevant 2 <sup>nd</sup> Batch Property have been satisfied;
“2 <sup>nd</sup> Batch Set-off Date”	being the 3 <sup>rd</sup> business day after the relevant 2 <sup>nd</sup> Batch Completion;
“2 <sup>nd</sup> Batch Title Certificate(s)”	the title certificate(s) (《不動產權證書》) of the relevant 2 <sup>nd</sup> Batch Property(ies);



“2 <sup>nd</sup> Batch Title Certificate Application(s)”	the application(s) of the title certificate (《不動產權證書》) of the relevant 2 <sup>nd</sup> Batch Properties made by Vendor B and the Relevant Purchaser(s) with relevant local housing authority and the receipt of the application acknowledgment slip (遞件回執) by the Relevant Purchaser(s);
“2 <sup>nd</sup> Batch Title Certificate Date”	being the date that the Relevant Purchaser(s) obtain the relevant 2 <sup>nd</sup> Batch Title Certificate(s);
“Aspiring Vision”	Aspiring Vision Holdings Limited, a company incorporated in the BVI with limited liability on 15 February 2017, which is wholly owned by Ms. Tse, and is one of the Controlling Shareholders;
“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);
“Conditions Precedent”	the 1 <sup>st</sup> Batch Conditions Precedent and the 2 <sup>nd</sup> Batch Conditions Precedent;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the 1 <sup>st</sup> Batch Consideration and 2 <sup>nd</sup> Batch Consideration, being a total of RMB15.8 million;

“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;
“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;
“Greater Bay Area”	the region set out in the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area in the PRC, and consisting of four core cities (Hong Kong, Macao, Guangzhou and Shenzhen) and seven non-core cities (Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen, and Zhaoqing), and for the Company’s purposes, excluding Hong Kong and Macao Special Administrative Region;
“Group”	the Company and its subsidiaries;
“Hero Dragon”	Hero Dragon Management Limited, a company incorporated in the BVI with limited liability on 12 April 2006, which is a wholly owned subsidiary of Fineland Group Holdings, and is one of the Controlling Shareholders;

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. Leung Wai Hung, Mr. Tian Qiusheng and Mr. Du Chenhua) established for the purpose of advising the Independent Shareholders in respect of the Settlement Transactions;
“Independent Financial Adviser”	Optima Capital Limited, a corporation licensed by the Securities and Futures Commission to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Settlement Transactions;
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM to approve the Settlement Transactions;
“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;

“Jiangmen Hengjie”	<p>Jiangmen Hengjie Real Estate Limited* (江門市恒捷房地產有限公司), a company incorporated in the PRC with limited liability on 29 March 2007, being a non-wholly owned subsidiary of Vendor A and the registered legal and beneficial owner of Fangyuan Xinhui Moon Island Mansion. As at the date of this announcement, it is owned as to approximately 51%, 29.4% and 19.6% by Vendor A, Jiangmen Fugang Investment Limited* (江門富港投資有限公司) and Guangdong Hengjie Investment Holdings Group Limited* (廣東恒捷投資控股集團有限公司). Jiangmen Fugang Investment Limited* (江門富港投資有限公司) is ultimately owned by Chen Fudong (陳富東), Cen Kai (岑凱) and Ou Xiaowei (歐小衛) as to 90%, 5% and 5%, respectively. Guangdong Hengjie Investment Holdings Group Limited* (廣東恒捷投資控股集團有限公司) is ultimately wholly owned by Deng Zhaoqiang (鄧兆強). Each of Chen Fudong (陳富東), Cen Kai (岑凱), Ou Xiaowei (歐小衛) and Deng Zhaoqiang (鄧兆強) is an Independent Third Party;</p>
“Listing Rules”	<p>The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;</p>
“Main Board”	<p>the stock market operated by the Stock Exchange, which excludes GEM and the option market;</p>
“Mansion Green”	<p>Mansion Green Holdings Limited, a company incorporated in the BVI with limited liability on 15 February 2017, whose shares are owned as to approximately 70% by Stand Smooth and approximately 30% by Aspiring Vision as at the date of this announcement, and is one of the Controlling Shareholders;</p>

- “Mr. Chen” Mr. Chen Xi (陳曦先生), the sole legal and beneficial owner of Beaming Light Holdings Limited, being one of the pre-IPO investors of the Company that holds 1.125% of the total issued share capital of the Company as at the date of the announcement, who is also a director of Huizhou Huisheng Real Estate Development Company Limited\* (惠州市輝盛房地產開發有限公司), being a subsidiary of Vendor A;
- “Mr. Fong” Mr. Fong Ming (方明先生), one of the Controlling Shareholders and the non-executive Director, who is the sole ultimate beneficial owner of Vendor A;
- “Mr. Han” Mr. Han Shuguang (韓曙光先生), an executive Director and the chairman of the Board. He is the sole legal and beneficial owner of Adwan Orient Holdings Limited, being one of the pre-IPO investors of the Company that holds 1.125% of the total issued share capital of the Company as at the date of this announcement, who is also a director of Vendor A;
- “Mr. Xu” Mr. Xu Jun (徐珺先生), the sole legal and beneficial owner of Kaffir Holding Limited, being one of the pre-IPO investors of the Company that holds 1.125% of the total issued share capital of the Company as at the date of the announcement and is a director of Vendor A;
- “Ms. Tse” Ms. Tse Lai Wa (謝麗華女士), one of the Controlling Shareholders and an executive Director, and is a party acting-in-concert with Mr. Fong under the deed of concert parties executed on 31 March 2017;
- “Outstanding Receivables” the 1<sup>st</sup> Batch Outstanding Receivables and the 2<sup>nd</sup> Batch Outstanding Receivables, being a total of RMB15.8 million;

“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”	the 1 <sup>st</sup> Batch Properties and the 2 <sup>nd</sup> Batch Properties;
“Property Sale Agreement(s)”	the 1 <sup>st</sup> Batch Property Sale Agreement(s) and the 2 <sup>nd</sup> Batch Property Sale Agreement(s);
“Relevant Purchaser(s)”	Fineland Living Services or its nominated subsidiary(ies) that shall enter into the Property Sale Agreement(s);
“RMB”	Renminbi, the lawful currency of the PRC;
“Settlement Agreement I”	the agreement dated 6 December 2023 entered into between Fineland Living Services and Vendor A in respect of the settlement of the 1 <sup>st</sup> Batch Outstanding Receivables by way of transfer of the 1 <sup>st</sup> Batch Properties, the principal terms of which are disclosed in the section headed “Principal terms of the Settlement Agreement I” of this announcement;
“Settlement Agreement II”	the agreement dated 6 December 2023 entered into between Fineland Living Services, Vendor A and Vendor B in respect of the settlement of the 2 <sup>nd</sup> Batch Outstanding Receivables by way of transfer of the 2 <sup>nd</sup> Batch Properties, the principal terms of which are disclosed in the section headed “Principal terms of the Settlement Agreement II” of this announcement;
“Settlement Agreements”	the Settlement Agreement I and the Settlement Agreement II;
“Settlement Transactions”	the Settlement Transactions I and the Settlement Transactions II;

“Settlement Transactions I”	the Settlement Agreement I, the 1 <sup>st</sup> Batch Property Sale Agreement(s) and the transactions as contemplated thereunder;
“Settlement Transactions II”	the Settlement Agreement II, the 2 <sup>nd</sup> Batch Property Sale Agreement(s) and the transactions as contemplated thereunder;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stand Smooth”	Stand Smooth Group Limited, a company incorporated in the BVI on 22 June 2006, which is wholly owned by Hero Dragon and indirectly wholly owned by Mr. Fong, and is one of the Controlling Shareholders;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Vendor A”	Guangzhou Fineland Real Estate Development Limited* (廣州市方圓房地產發展有限公司), a company incorporated in the PRC with limited liability on 4 October 1995, and is ultimately wholly owned by Mr. Fong, and thus is a connected person of the Company;
“Vendor A Subsidiaries” (each referred to as a “Vendor A Subsidiary”)	Zhanjiang Shangpin and Jiangmen Hengjie, each of which being a non-wholly owned subsidiary of Vendor A;
“Vendor B”	Guangzhou Zengcheng Fangyuan Mingsheng Real Estate Limited* (廣州市增城區方圓明盛房地產有限公司), a company incorporated in the PRC with limited liability on 24 July 2018, and is ultimately controlled by Independent Third Parties;

“Zhanjiang Shangpin”	Zhanjiang Shangpin Investment Limited* (湛江市尚品投資有限公司), a company incorporated in the PRC with limited liability on 3 November 2011, being a non-wholly owned subsidiary of Vendor A and the registered legal and beneficial owner of Yunshan Poetry Garden I. As at the date of this announcement, it is owned as to approximately 78% and 22% by Guangzhou Fangyuan Huihe Real Estate Development Limited* (廣州方圓惠和房地產發展有限公司) and Wenbao Village Residents’ Committee of Chikan District Zhangjiang City* (湛江市赤坎區文保村民委員會), respectively. Guangzhou Fangyuan Huihe Real Estate Development Limited* (廣州方圓惠和房地產發展有限公司) is respectively owned by Vendor A and Lin Bin (林斌) as to 70% and 30%. Each of Lin Bin (林斌) and Wenbao Village Residents’ Committee of Chikan District Zhangjiang City* (湛江市赤坎區文保村民委員會) is an Independent Third Party;
“Zhuhai Fangyuan”	Zhuhai Fangyuan Property Management Co., Ltd.* (珠海市方圓物業管理有限公司), a company incorporated in the PRC with limited liability on 1 April 2008, being an indirectly non-wholly owned subsidiary of the Company;
“Zhuhai Mingzhen”	Zhuhai Fangyuan Mingzhen Real Estate Co., Ltd.* (珠海市方圓明臻房地產有限公司), a company incorporated in the PRC with limited liability on 16 July 2018, and is ultimately wholly owned by Mr. Fong, and thus is a connected person of the Company;
“ZM Property”	being the residential property transferred by Zhuhai Mingzhen to Zhuhai Fangyuan;
“ZM Property Sale Agreement”	the property sale agreement entered into between Zhuhai Fangyuan and Zhuhai Mingzhen on 13 February 2023 in respect of the transfer of the ZM Property;



“ZM Settlement Agreement”	the agreement dated 10 January 2023 entered into between Zhuhai Fangyuan and Zhuhai Mingzhen, pursuant to which, Zhuhai Fangyuan agreed to set-off trade receivables of approximately RMB1,643,000 owed to it by Zhuhai Mingzhen, by way of accepting the transfer of the ZM Property from Zhuhai Mingzhen to Zhuhai Fangyuan;
“ZM Settlement Transaction”	the ZM Settlement Agreement, the ZM Property Sale Agreement and the transactions as contemplated thereunder;
“%”	per cent.

*If there is any inconsistency between the Chinese names of the PRC entities, enterprises or nationals and their English translations, the Chinese names shall prevail. The English translation of the PRC entities, enterprises or nationals which are marked with “\*” are for identification purposes only.*

By order of the Board of  
**Fineland Living Services Group Limited**  
**HAN Shuguang**  
*Chairman*

Hong Kong, 6 December 2023

*As at the date of this announcement, the executive Directors are Mr. HAN Shuguang 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. Tian Qiusheng and Mr. Du Chenhua.*