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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)

UPDATE ON THE MAJOR AND CONNECTED TRANSACTIONS AND EXTENSION OF LONG STOP DATE

References are made to (i) the announcement of Fineland Living Services Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 6 December 2023 and the circular of the Company dated 22 December 2023 (the “**Circular**”) in relation to the major and connected transactions regarding the settlement agreements entered into by Fineland Living Services Limited* (廣州方圓生活服務有限公司) (an indirectly wholly owned subsidiary of the Company) (“**Fineland Living Services**”); (ii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); and (iii) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular, the 2023 Annual Report and the 2024 Interim Report.

THE SETTLEMENT AGREEMENT I

On 6 December 2023 (after trading hours), Fineland Living Services and Guangzhou Fineland Real Estate Development Limited* (廣州市方圓房地產發展有限公司) (the “**Vendor A**”) entered into the Settlement Agreement I (as amended and supplemented on 22 December 2023), pursuant to which, the Purchaser has conditionally agreed to set-off the 1st 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 1st Batch

Properties from the Vendor A Subsidiaries to the Relevant Purchaser(s). The 1st Batch Properties consist of seven commercial properties situated in Yunshan Poetry Garden I and six car parking spaces situated in Fangyuan Xinhui Moon Island Mansion.

As disclosed in the 2023 Annual Report, the transactions as contemplated under the Settlement Agreement I in respect of the six car parking spaces situated in Fangyuan Xinhui Moon Island Mansion had been completed prior to 30 June 2024 (the “**Long Stop Date**”).

As at the date of this announcement, in respect of the seven commercial properties situated in Yunshan Poetry Garden I (the “**Remaining Properties**”), there had been an unexpected prolonged review process by relevant authorities concerning the Vendor A Subsidiary applications for completion-related certifications (the “**Review Process**”), which are prerequisites required by applicable laws and regulations for the Vendor A Subsidiary to execute the 1st Batch Property Sale Agreement and satisfy the remaining 1st Batch Conditions Precedents for the Remaining Properties.

EXTENSION OF LONG STOP DATE

As at the date of this announcement, the Group had been informed by Vendor A that the Vendor A Subsidiary had successfully completed the Review Process, which clears the main hurdle for the satisfaction of the remaining 1st Batch Conditions Precedents. Accordingly, the Board believes that there is a genuine prospect of fulfilment of the remaining 1st Batch Conditions Precedent. As disclosed in the Circular, prior to entering into the Settlement Agreement I, the Company had implemented a range of measures to recover the 1st Batch Outstanding Receivables. Given the circumstance and the ongoing cash flow challenges faced by Vendor A, it may be difficult to continue pursuing cash collection efforts for these outstanding receivables from subsidiaries of Vendor A.

In light of the above, on 18 October 2024, Fineland Living Services and Vendor A entered into a supplemental agreement, pursuant to which both parties have agreed to extend the Long Stop Date from 30 June 2024 to 20 December 2024 (the “**Extended Long Stop Date**”). Pursuant to the Settlement Agreement I, completion of each Remaining Property will take place on the date when the 1st Batch Conditions Precedent of such property have been fulfilled, and in any event, on or before the Extended Long Stop Date.

The Company would like to emphasize that (i) other than the extension of the Long Stop Date, all the other terms and conditions in the Settlement Agreement I remain unchanged; (ii) the Settlement Agreement I is an effective means to recover the 1st Batch Outstanding Receivables and this remains the case; (iii) similar to previous disclosures, the Company intends to retain the Remaining Properties after completion to capitalize on the optimal opportunity to sell them and maximize returns, and therefore, the extension of the Long Stop Date does not alter the reasons for and the benefits of entering into the Settlement

Agreement I by the Company; and (iv) the material factors and circumstances leading up to the Settlement Agreement I remain largely the same. Therefore, the Board believes that (i) the extension of Long Stop Date does not constitute a material change of the terms of the Settlement Agreement I; and (ii) upon the extension of the Long Stop Date, the Settlement Agreement I remains fair and reasonable, and is in the best interests of the Company and the Shareholders as a whole.

By Order of the Board
Fineland Living Services Group Limited
Fong Ming
Chairman

Hong Kong, 18 October 2024

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.