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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)

(1) DISCLOSEABLE TRANSACTION

**ACQUISITION OF 60% EQUITY INTERESTS IN GUANGDONG YIKANG
PROPERTY SERVICE CO., LTD.;**

AND

**(2) COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF 51% EQUITY INTERESTS IN CHANGSHA
JIYANGHONG PROPERTY MANAGEMENT CO., LTD.**

THE ACQUISITION

The Board is pleased to announce that on 25 October 2021 (after trading hours), the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with the Vendor, Mr. Wu, Ms. Zheng and the Target Company, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares which represent 60% of the equity interests in the Target Company at a cash consideration of RMB34,398,800 (equivalent to approximately HK\$41,623,000) (subject to adjustments).

Upon Completion, the equity interests in the Target Company will be held by the Purchaser, Mr. Wu and Ms. Zheng as to 60%, 36% and 4%, respectively. The Target Company will become an indirectly non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated in the Group's financial statements.

The Target Company is a property management services provider based in Dongguan, Guangdong Province of the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all of which are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Acquisition is subject to the fulfilment of conditions. As the Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 51% EQUITY INTERESTS IN CHANGSHA JIYANGHONG PROPERTY MANAGEMENT CO., LTD. (“Changsha JYH”) (the “JYH Acquisition”)

Reference is made to the announcement of the Company dated 30 July 2021 in relation to the JYH Acquisition. The Board is pleased to announce that completion of the JYH Acquisition took place in accordance with the terms and conditions of the share purchase agreement entered into by the Purchaser with Shanghai Dongzimen Business Management Partnership (Limited Partnership)* (上海東紫門企業管理合夥企業(有限合夥), Mr. Li Ji and Mr. Luo Peng (the “**JYH Share Purchase Agreement**”). Upon completion of the JYH Acquisition, Changsha JYH was held by the Purchaser, Mr. Li Ji and Mr. Luo Peng as to 51%, 31.85% and 17.15%, respectively, and Changsha JYH became an indirectly non-wholly owned subsidiary of the Company and the financial results of Changsha JYH will be consolidated in the Group's financial statements.

THE ACQUISITION

The Board is pleased to announce that on 25 October 2021 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with the Vendor, Mr. Wu, Ms. Zheng and the Target Company, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire, the Sale Shares which represent 60% of the equity interests in the Target Company at a cash consideration of RMB34,398,800 (equivalent to approximately HK\$41,623,000) (subject to adjustments).

SHARE PURCHASE AGREEMENT

Date : 25 October 2021 (after trading hours)

Parties : (i) the Purchaser;

- (ii) the Vendor;
- (iii) Mr. Wu;
- (iv) Ms. Zheng; and
- (v) the Target Company.

The backgrounds of the parties are set out in the section headed “Information on the parties” below.

Assets to be acquired

Pursuant to the Share Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares which represent 60% of the equity interests in the Target Company.

Please refer to the section headed “Information on the Target Company” below for further information on the Target Company.

Consideration and Payment Terms

Pursuant to the Share Purchase Agreement, the Consideration of RMB34,398,800 (equivalent to approximately HK\$41,623,000) (subject to adjustments) will be payable to the Vendor in cash in five payment instalments in the following manner:

Instalment	Payment date & conditions	Consideration (percentage)
1.	<p>Within 15 Working Days upon fulfilment of the following conditions:</p> <ul style="list-style-type: none"> (a) the Share Purchase Agreement having been executed by each party and the delivery of the Share Purchase Agreement to each party having been completed as agreed; (b) the shareholders’ resolutions of the Target Company in relation to the Acquisition and the amendments to the Target Company’s articles of association (the “Article Amendments”) having been approved, and Mr. Wu and Ms. Zheng having undertaken to the Purchaser in writing to waive their respective right of first refusal to purchase the Sale Shares; 	<p>RMB8,599,700 (25%)</p>

Instalment	Payment date & conditions	Consideration (percentage)
	<ul style="list-style-type: none"> (c) the Core Management having signed non-compete and confidentiality agreements or given undertakings of the same in favour of the Target Company, in the form satisfactory to the Purchaser; (d) during the period from the date of the Share Purchase Agreement (including the date of the Share Purchase Agreement) until the payment of the first instalment, the warranties, representations and undertakings given by the Vendor, Mr. Wu, Ms. Zheng and the Target Company in the Share Purchase Agreement remaining true, accurate, complete and there being no non-compliance with the terms of the Share Purchase Agreement by each party; (e) there being no events, facts, conditions, changes and other circumstances that have a material adverse effect on the financial position, business, asset, liability, prospect and operations of the Target Company; (f) the Purchaser having completed the due diligence on the Target Company and the result of which is satisfactory to the Purchaser; and (g) the representations and warranties given by the Vendor, Mr. Wu, Ms. Zheng and the Target Company continuing to be true, accurate and complete; 	
2.	Within 15 Working Days upon fulfilment of the following conditions:	RMB8,599,700 (25%)
	<ul style="list-style-type: none"> (a) the Vendor, Mr. Wu and Ms. Zheng having pledged all their respective equity interests in, and the derivative rights thereto of, the Target Company in favour of the Purchaser as performance guarantee of the Share Purchase Agreement, and the parties having separately signed the Equity Pledge Agreement, the period of which shall not exceed the maximum time limit of full performance of the Share Purchase Agreement. When the Vendor, Mr. Wu and Ms. Zheng intend to make payment using the equity interests under the equity pledge, the valuation of the Target Company shall be carried out according to the valuation report issued by a third-party valuer jointly appointed by the Vendor, the Purchaser, Mr. Wu and Ms. Zheng; 	

Instalment	Payment date & conditions	Consideration (percentage)
	<p>(b) the Target Company having completed the divestment of certain projects by the Completion Date in accordance with the Share Purchase Agreement, and having completed the relevant filing and registration to reflect the transfer of the Sale Shares, the pledge of the equity interests, the Article Amendments and the changes in the directors, supervisors and senior management of the Target Company, and having obtained a new business license;</p> <p>(c) the Vendor, the Purchaser, Mr. Wu and Ms. Zheng having completed the Completion obligations, and a written confirmation in this regard having been issued by the respective parties;</p> <p>(d) the Vendor, Mr. Wu and Ms. Zheng having resolved the existing issues of the Target Company in relation to project affiliation and partners in an appropriate way, and a written confirmation in this regard having been obtained from the Purchaser;</p> <p>(e) the representations and warranties given by the Vendor, Mr. Wu, Ms. Zheng and the Target Company continuing to be true, accurate and complete; and</p> <p>(f) Mr. Wu, and two individuals involved in management of the Target Company and who are Independent Third Parties, having repaid their advances in full to the Target Company within 10 Working Days upon payment of the first instalment to the Vendor.</p>	
3.	<p>Within 15 Working Days upon fulfilment of the following conditions:</p> <p>(a) the financial statements of the Target Company for 2021 having been audited by an auditing firm recognised by the Purchaser, and the audited Net Profit of the Target Company for 2021 is not less than RMB5,085,800; ^(Note 1)</p>	<p>RMB5,159,800 (subject to adjustments) ^(Note 1) (15%)</p>

Instalment	Payment date & conditions	Consideration (percentage)
	<ul style="list-style-type: none"> (b) the employees of the Target Company and its branches and subsidiary having signed employment contracts with their respective companies, in the form satisfactory to the Purchaser; (c) the labour and employment related policies of the Target Company and its branches and subsidiary having been optimised according to the requirements of the Purchaser, and having been reconfirmed by all the employees; and (d) the representations and warranties given by the Vendor Mr. Wu, Ms. Zheng and the Target Company continuing to be true, accurate and complete; 	
4.	<p>Within 15 Working Days upon fulfilment of the following conditions:</p> <ul style="list-style-type: none"> (a) the financial statements of the Target Company for 2022 having been audited by an auditing firm recognised by the Purchaser, and the audited Net Profit of the Target Company for 2022 is not less than RMB5,594,400; ^(Note 2) and (b) the representations and warranties given by the Vendor, Mr. Wu, Ms. Zheng and the Target Company continuing to be true, accurate and complete. 	<p>RMB5,159,800 (subject to adjustments) ^(Note 2) (15%)</p>
5.	<p>Within 15 Working Days upon fulfilment of the following conditions:</p> <ul style="list-style-type: none"> (a) the financial statements of the Target Company for 2023 having been audited by an auditing firm recognised by the Purchaser, and the audited Net Profit of the Target Company for 2023 is not less than RMB6,153,800; ^(Note 3) and (b) the representations and warranties given by the Vendor Mr. Wu, Ms. Zheng and the Target Company continuing to be true, accurate and complete. 	<p>RMB6,879,800 (subject to adjustments) ^(Note 3) (20%)</p>

Note 1: If the audited Net Profit of the Target Company for 2021 is less than RMB5,085,800, the Purchaser is entitled to deduct the following amount from the Consideration for the 3rd payment instalment:

Deduction amount = (RMB5,085,800 — the audited Net Profit for 2021) × 12.4 × 60%. If the deduction amount exceeds the Consideration payable for the 3rd payment instalment i.e. RMB5,159,800, the Vendor shall on top pay the Purchaser separately for the exceeded amount.

Note 2: If the audited Net Profit of the Target Company for 2022 is less than RMB5,594,400, the Purchaser is entitled to deduct the following amount from the Consideration for the 4th payment instalment:

Deduction amount = (RMB5,594,400 — the audited Net Profit for 2022) × 12.4 × 60%. If the deduction amount exceeds the Consideration payable for the 4th payment instalment i.e. RMB5,159,800, the Vendor shall on top pay the Purchaser separately for the exceeded amount.

Note 3: If the audited Net Profit of the Target Company for 2023 is less than RMB6,153,800, the Purchaser is entitled to deduct the following amount from the Consideration for the 5th payment instalment:

Deduction amount = (RMB6,153,800 — the audited Net Profit for 2023) × 12.4 × 60%. If the deduction amount exceeds the Consideration payable for the 5th payment instalment i.e. RMB6,879,800, the Vendor shall on top pay the Purchaser separately for the exceeded amount.

At the end of the three-year performance appraisal period, the Target Company will be viewed as having completed its performance commitment if its Performance Commitment Percentage is 100% or above, and the Purchaser shall pay the full Consideration to the Vendor. If deductions had been made in the previous instalment payments due to the audited Net Profit of the Target Company for 2021, 2022 or 2023 not meeting their respective goals in those years, the Purchaser shall pay to the Vendor these deducted amounts as part of the fifth instalment. The Performance Commitment Percentage is calculated as follows:

$$\text{Performance Commitment Percentage} = \frac{A + B + C}{D}$$

where:

A = the audited Net Profit for 2021

B = the audited Net Profit for 2022

C = the audited Net Profit for 2023

D = the sum of audited Net Profit performance commitments for 2021, 2022 and 2023, namely RMB5,085,800, RMB5,594,400 and RMB6,153,800

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor with reference to, among other things:

- (i) the Net Profit of the Target Company being approximately RMB4,623,500 (equivalent to approximately HK\$5,594,000) for the year ended 31 December 2020;
- (ii) the estimated value of the Target Company being approximately RMB57,331,400 (equivalent to approximately HK\$69,371,000), which was calculated based on the static price-earnings ratio valuation method, being the Net Profit of the Target Company as at 31 December 2020 multiplied by the price-to-earnings ratio of 12.4;
- (iii) the properties and projects currently under management of the Target Company and its future prospects; and
- (iv) with reference to the merger and acquisition cases in the same industry in the market.

The Consideration will be financed primarily by the internal resources of the Group.

Performance Undertaking

The Vendor has undertaken to ensure that the total revenue of the Target Company in the three years of 2021, 2022 and 2023 shall not be less than approximately RMB76 million failing which it shall pay a penalty of 5% of the total Consideration to the Purchaser.

Transitional Period

During the Transitional Period, the Vendor, Mr. Wu, Ms. Zheng and the Target Company shall maintain the Target Company's ordinary course of business, and shall take all reasonable actions to maintain and protect the Target Company's assets and rights, goodwill, and relationships with third parties (including but not limited to customers and suppliers) as well as satisfy the conditions for the payment of the Consideration agreed in the Share Purchase Agreement. Certain corporate actions in relation to the Target Company (including but not limited to, changes in business nature, changes in share capital or shareholding, distribution of profits, dividends, creation of encumbrance on or disposal of major assets, incurrence of material liability, and creation of encumbrances on the Sale Shares) shall be subject to the prior written consent from the Purchaser.

Completion

Completion shall take place on the Completion Date.

Upon Completion, the equity interests in the Target Company will be held by the Purchaser, Mr. Wu and Ms. Zheng as to approximately 60%, 36% and 4%, respectively. The Target Company will become an indirectly non-wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated in the Group's financial statements.

Management of the Target Company

The board of directors of the Target Company shall consist of five directors, of which the Purchaser shall be entitled to appoint three directors, and the other two directors shall be appointed by Mr. Wu and Ms. Zheng. The chairman of the board of directors of the Target Company shall be appointed by the Purchaser.

Non-compete undertaking

Each of the Vendor, Mr. Wu and Ms. Zheng has undertaken not to engage in the same or any similar business that may compete with the Target Company or solicit the current property management service projects of the Target Company within 5 years after the signing of the Share Purchase Agreement without the prior written consent of the Purchaser.

Termination

Except as otherwise provided in the Share Purchase Agreement (including force majeure events), laws and administrative regulations, any amendment or termination of the Share Purchase Agreement shall take effect upon signing by all the parties thereto.

If the Vendor fails to satisfy the conditions for the payment of the Consideration as stipulated in the section headed “Consideration and Payment Terms” above, the parties shall separately negotiate in an attempt to reach a settlement. Before the settlement is reached, the Purchaser is entitled to suspend payment of the Consideration for the relevant payment instalment. Where a time period is specified for the satisfaction of the payment conditions and the Vendor fails to do so within the time period agreed, the Vendor shall pay a penalty of 0.05% per day of the Consideration for the relevant payment instalment expected to be received by each of them respectively, to the Purchaser. If such breach continues for more than 45 days and the parties are unable to reach a settlement, the Purchaser has the right to unilaterally terminate the Share Purchase Agreement, require the Vendor to return all the monies paid by the Purchaser plus interest (being 10% per annum for the period from the date of payment by the Purchaser until the date of repayment by the Vendor), and require the Vendor to pay a penalty of 5% of the total Consideration.

Irrespective of whether the relevant filing and registrations regarding the transfer of the Sale Shares have been completed, in the event that any representations, warranties and undertakings given by the Vendor, Mr. Wu, Ms. Zheng or the Target Company under the Share Purchase Agreement are proved to be false or misleading, or any of the Vendor, Mr. Wu, Ms. Zheng or the Target Company violate its obligations, resulting in the Purchaser suffering losses or material adverse changes to the Target Company, the Purchaser may:

- (a) terminate the Share Purchase Agreement. If the Sale Shares have not been registered in the name of the Purchaser when terminated, the Purchaser shall be entitled to require the Vendor to return all the monies paid by the Purchaser plus interest (being 10% per annum for the period from the date of payment by the Purchaser until the date of

repayment by the Vendor). If the Sale Shares have been registered in the name of the Purchaser or the Completion procedures have been completed, the Vendor shall repurchase the Sale Shares within 10 days upon receiving the notice from the Purchaser and cooperate with the Purchaser to complete the transfer procedures. The repurchase price shall be based on the consideration paid after any deductions in accordance with the Share Purchase Agreement for the Sale Shares plus interest (being 10% per annum for the period from the date of payment by the Purchaser until the payment date of the repurchase price by the Vendor); or

- (b) recover from the Vendor all losses, and the Vendor, Mr. Wu, Ms. Zheng and the Target Company shall be jointly and severally liable for such losses.

INFORMATION ON THE TARGET COMPANY

History and background of the Target Company

The Target Company was established under the laws of the PRC with limited liability on 2 November 2010. It is a comprehensive property management services provider with level 3 property management qualification based in Dongguan, Guangdong Province, having six branches in Dongguan, Guangzhou, Meizhou and Huazhou, respectively, and a wholly-owned subsidiary in Meizhou city. As at the date of this announcement, the Target Company has been contracted to provide property management services for approximately 20 residential and commercial projects in Dongguan and Meizhou, Guangdong Province, covering approximately 1.3 million sq.m..

As at the date of this announcement, the Target Company is owned as to 60% by the Vendor, 36% by Mr. Wu and 4% by Ms. Zheng, respectively.

Financial information of the Target Company

The summary of the key unaudited consolidated financial information for the Target Company for the two years ended 31 December 2020 prepared in accordance with the China Accounting Standards for Business Enterprises is as follows:

	For the year ended 31 December 2019 (unaudited) RMB	For the year ended 31 December 2020 (unaudited) RMB
Profit/(loss) before taxation and extraordinary items	4,257,551	5,194,857
Profit/(loss) after taxation	3,334,791	4,623,468

The combined unaudited total asset value and net asset value of Target Company as at 31 December 2020 was approximately RMB15,240,138 and RMB4,369,285, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has been consistently seeking opportunities to further expand its business scale and to increase its profitability and market share. The Directors believe that the Acquisition presents a great opportunity for the Group to further expand the Group's property management portfolio in the Greater Bay Area market. The Directors are of the view that the property management industry has shown steady growth in the past few years and will continue to flourish in the coming years driven by the support from the PRC government and continued increase in both demand of property management services and supply of commodity properties.

The Directors consider that the terms of the Acquisition (including the Consideration) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group and the Purchaser

The Group is principally engaged in four main business areas, namely (i) real estate agency services; (ii) property management services; (iii) value-added services; and (iv) community value-added services, with a focus mainly in Guangzhou and also elsewhere in the Greater Bay Area as well as other parts of the PRC.

The Purchaser is a company established under the laws of the PRC with limited liability on 6 May 2020, and an indirectly wholly-owned subsidiary of the Company and an investment holding company.

The Vendor

The Vendor was established under the laws of the PRC as a limited partnership on 23 September 2021 for investment holding purposes and is ultimately owned by Mr. Wu and Ms. Zheng. As at the date of this announcement, the Target Company is owned as to 60% by the Vendor, 36% by Mr. Wu and 4% by Ms. Zheng, respectively.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiry, each of the Vendor, Mr. Wu, Ms. Zheng and the Target Company is an Independent Third Party.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all of which are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Acquisition is subject to the fulfilment of conditions. As the Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

COMPLETION OF THE JYH ACQUISITION

Reference is made to the announcement of the Company dated 30 July 2021 in relation to the JYH Acquisition. The Board is pleased to announce that completion of the JYH Acquisition took place in accordance with the terms and conditions of the JYH Share Purchase Agreement. Upon completion of the JYH Acquisition, Changsha JYH was held by the Purchaser, Mr. Li Ji and Mr. Luo Peng as to 51%, 31.85% and 17.15%, respectively, and Changsha JYH became an indirectly non-wholly owned subsidiary of the Company and the financial results of Changsha JYH will be consolidated in the Group's financial statements.

DEFINITIONS

- “Acquisition” : the acquisition of the Sale Shares in the Target Company pursuant to the terms and conditions of the Share Purchase Agreement
- “Board” : the board of Directors
- “Company” : 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)), 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” : the completion of the Acquisition pursuant to the terms and conditions of the Share Purchase Agreement

“Completion Date”	:	the date which is 31 October 2021, or such other date as the Purchaser and the Vendor may agree in writing
“Consideration”	:	the consideration to be paid in five payment instalments by the Purchaser to the Vendor being RMB34,398,800 (equivalent to approximately HK\$41,623,000) (subject to adjustments)
“Core Management”	:	the core management of the Target Company identified jointly by the Vendor, Mr. Wu, Ms. Zheng and the Purchaser, as set out in the Share Purchase Agreement
“Director(s)”	:	the director(s) of the Company
“Equity Pledge Agreement”	:	the equity pledge agreement to be entered into between the Purchaser, Mr. Wu, Ms. Zheng and the Vendor in respect of the pledge of the equity interests and their derivative rights held by the Vendor, Mr. Wu and Ms. Zheng in the Target 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
“Group”	:	the Company and its subsidiaries from time to time
“HK\$”	:	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ties)”	:	individuals or companies who or which are not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Wu”	:	Mr. Wu Haojie (吳浩傑), an individual owner of 36% of the total equity interests in the Target Company, and an Independent Third Party
“Ms. Zheng”	:	Ms. Zheng Yuanzhen (鄭苑珍), an individual owner of 4% of the total equity interests in the Target Company, and an Independent Third Party
“Net Profit”	:	net profit after deducting non-recurring profit and loss combined tax
“percentage ratios”	:	having the meaning ascribed to it in the Listing Rules
“PRC”	:	the People’s Republic of China (中華人民共和國), 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 Region and Taiwan
“Purchaser”	:	Guangzhou Fangrun Living Services Limited* (廣州方潤生活服務有限公司), a company established under the laws of the PRC with limited liability on 6 May 2020, which is an indirectly wholly-owned subsidiary of the Company
“RMB”	:	Renminbi, the lawful currency of the PRC
“Sale Shares”	:	60% equity interests in the Target Company to be sold by the Vendor, together with all interest and rights attached thereto, and there being no (including but not limited to) lien, pledge and other third party rights or claims attached to the equity interests
“Share(s)”	:	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Share Purchase Agreement”	:	the agreement dated 25 October 2021 entered into between the Purchaser, the Vendor, Mr. Wu and Ms. Zheng in respect of the Acquisition
“Shareholder(s)”	:	registered holder(s) of the Share(s)
“sq.m.”	:	square meters
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	:	having the meaning ascribed to it in the Listing Rules
“Target Company”	:	Guangdong Yikang Property Service Co., Ltd.* (廣東益康物業服務有限公司) (formerly known as 東莞市益康物業服務有限公司) is a property management services provider, which was established on 2 November 2010 under the laws of the PRC with limited liability and, as at the Latest Practicable Date, is owned as to 60% by the Vendor, 36% by Mr. Wu and 4% by Ms. Zheng, respectively
“Transitional Period”	:	the period from the date of the Share Purchase Agreement to the Completion Date (both dates inclusive), or the period from the Valuation Date to the Completion Date (both dates inclusive) if the Valuation Date is earlier than then date of the Share Purchase Agreement
“Valuation Date”	:	the valuation date of the Target Company, that is 31 December 2020
“Vendor”	:	Shanghai Lvbaoyuan Business Management Partnership (Limited Partnership)* (上海綠保源企業管理合夥企業 (有限合夥)), a limited partnership established on 23 September 2021 under the laws of PRC, ultimately owned by Mr. Wu and Ms. Zheng
“Working Days”	:	any day which banks in the PRC are open for business, except Saturdays, Sundays and statutory holidays as announced by the PRC government
“%”	:	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.*

For the purposes of this announcement, unless the context otherwise requires or expressly specifies, an exchange rate of RMB1.00 to HK\$1.21 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and no representation is made that such amounts were or could be exchanged at this rate.

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

Hong Kong, 25 October 2021

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.