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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)

PERFORMANCE OF PROFIT GUARANTEE

This announcement is made by the board (“**Board**”) of directors (“**Directors**”) of Fineland Living Services Group Limited (the “**Company**”) pursuant to Rule 14.36B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Reference is made to the announcements of the Company in relation to the discloseable transaction regarding the acquisition of the 60% equity interests of Guangdong Yikang Property Service Co., Ltd. (“**Yikang**”) dated 25 October 2021 (the “**Original Announcement**”), the completion announcement dated 9 February 2022 and the announcement in relation to the performance of profit guarantee in 2021 dated 30 August 2022 (the “**2021 Profit Guarantee Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Original Announcement and the 2021 Profit Guarantee Announcement.

As disclosed in the Original Announcement, pursuant to the Share Purchase Agreement, payment of the 4th payment instalment of the Consideration is subject to fulfilment of several conditions, among which the audited Net Profit of the Yikang for the year ended 31 December 2022 shall not be less than RMB5,594,400 (the “**2022 Guaranteed Profit**”). In the event that the actual Net Profit for the year ended 31 December 2022 (the “**2022 Actual Profit**”) does not meet the 2022 Guaranteed Profit, the Purchaser is entitled to deduct an amount from the Consideration for the 4th payment instalment (i.e. RMB5,159,800), being calculated as follows:

Deduction amount = (RMB5,594,400 – 2022 Actual Profit) × 12.4 × 60%.

The Company received the audited financial statements of Yikang for the year ended 31 December 2022 and the 2022 Actual Profit amounted to approximately RMB5.0 million, which is less than the 2022 Guaranteed Profit. Accordingly, the Consideration of the 4th payment instalment will be adjusted in accordance with the above formula as set out in the Share Purchase Agreement and the deduction amount will be approximately RMB4.3 million. The 4th instalment after adjustment will therefore be approximately RMB0.9 million, which will be settled in accordance with the terms set out in the Share Purchase Agreement. The Board is of the view that the Vendor has agreed to fulfil obligations pursuant to the 2022 Guarantee Profit under the Share Purchase Agreement.

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

Hong Kong, 30 March 2023

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