Huafa Property Services Group Company Limited

華發物業服務集團有限公司

(Formerly known as HJ Capital (International) Holdings Company Limited 華金國際資本控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 982)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "Board" or the "Directors") of Huafa Property Services Group Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020 together with comparative figures for the corresponding year in 2019 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	**2020** **HK$'000**	2019 *HK$'000* (Restated) *(Notes 2.1(c), (d))*
Continuing operations			
Revenue	*3*	**1,086,434**	952,337
Cost of sales	*5*	**(783,331)**	(722,337)
Gross profit		**303,103**	230,000
Other income and other gains/(losses), net	*4*	**12,605**	(1,157)
Administrative expenses	*5*	**(131,160)**	(96,364)
Net impairment losses on financial assets		**(7,792)**	(12,364)
Operating profit		**176,756**	120,115
Finance expenses, net		**(34,053)**	(1,963)
Share of results of associates		**585**	(163)
Share of results of a joint venture		**801**	–
Profit before income tax		**144,089**	117,989
Income tax expense	*6*	**(48,734)**	(38,044)
Profit from continuing operations		**95,355**	79,945

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020
(Continued)

	Note	**2020** *HK$'000*	2019 *HK$'000* (Restated) *(Notes 2.1(c), (d))*
Discontinued operations			
(Loss)/profit from discontinued operations		**(71,246)**	16,858
Profit for the year		**24,109**	96,803
Profit/(loss) attributable to:			
Owners of the Company		**36,789**	95,020
Non-controlling interests		**(12,680)**	1,783
		24,109	96,803
Profit/(loss) for the year attributable to owners of the Company arising from:			
Continuing operations		**95,355**	79,945
Discontinued operations		**(58,566)**	15,075
		36,789	95,020
Earnings per share for profit from continuing operations attributable to owners of the Company (HK cent):			
– Basic and diluted	*7*	**0.9478**	0.7946
Earnings per share for profit attributable to owners of the Company (HK cent):			
– Basic and diluted	*7*	**0.3657**	0.9444

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020
(Continued)

	Note	**2020** *HK$'000*	2019 *HK$'000* (Restated) *(Notes 2.1(c), (d))*
Profit for the year		**24,109**	96,803
Other comprehensive income for the year, net of tax			
Item that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**24,603**	(3,128)
Total comprehensive income for the year		**48,712**	93,675
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		**61,392**	91,892
Non-controlling interests		**(12,680)**	1,783
		48,712	93,675
Total comprehensive income/(loss) for the year attributable to owners of the Company arising from:			
Continuing operations		**116,814**	77,889
Discontinued operations		**(55,422)**	14,003
		61,392	91,892

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 HK$'000	2019 HK$'000 (Restated) (Notes 2.1(c), (d))
Non-current assets			
Property, plant and equipment		**22,107**	30,019
Right-of-use assets		**19,536**	76,599
Intangible assets		**4,683**	13,649
Deferred tax assets		**24,113**	17,521
Interests in associates		**39,907**	39,322
Interest in a joint venture		**1,136**	335
Financial asset at fair value through profit or loss		**7,988**	8,213
Other receivables, deposits and prepayments		**–**	12,920
		119,470	198,578
Current assets			
Inventories		**2,507**	1,263
Contract assets		**–**	4,801
Trade receivables	*9*	**209,214**	261,241
Margin loans receivable	*10*	**–**	5,784
Other receivables, deposits and prepayments		**33,860**	73,037
Client trust bank balances		**–**	27,677
Restricted bank balances		**896**	1,652
Cash and cash equivalents		**664,864**	600,112
		911,341	975,567
Total assets		**1,030,811**	1,174,145
(Deficit)/equity			
Share capital		**2,515**	2,515
(Deficit)/reserves		**(363,675)**	402,959
Total (deficit)/equity attributable to owners of the Company		**(361,160)**	405,474
Non-controlling interests		**–**	12,680
Total (deficit)/equity		**(361,160)**	418,154

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020
(Continued)

	Note	2020 HK$'000	2019 HK$'000 (Restated) (Notes 2.1(c), (d))
Non-current liabilities			
Lease liabilities		**327**	29,738
Deferred tax liabilities		**–**	52
		327	29,790
Current liabilities			
Trade payables	*11*	**60,787**	173,852
Contract liabilities		**57,747**	71,316
Other payables and accruals		**326,818**	282,994
Bank borrowings		**519,000**	150,000
Amount due to a related party		**416,690**	–
Lease liabilities		**1,218**	29,324
Income tax payable		**9,384**	18,715
		1,391,644	726,201
Total liabilities		**1,391,971**	755,991
Total equity and liabilities		**1,030,811**	1,174,145

NOTES

1 GENERAL INFORMATION OF THE GROUP

Huafa Property Services Group Company Limited (the "Company") is a limited liability company incorporated in Bermuda. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Room 3605, 36/F, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the "Group") are principally engaged in (i) the provision of property management services in Mainland China, and (ii) hotel advisory and exhibition services in Mainland China. The Group also engaged in (i) hotel operation services in Mainland China, (ii) financial services in Hong Kong, and (iii) financial printing services in Hong Kong during the reporting period.

The Company has its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These financial statements are presented in Hong Kong dollars ("HK$") unless otherwise stated.

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period.

On 17 January 2020 (the "Completion Date"), the Group completed the acquisition ("Acquisition") of the entire equity interest in Huafa Property Management Services (Hong Kong) Limited (formerly known as Concord Bright Holdings Limited), an investment holding company holding various subsidiaries ("Property Management Business") from Hong Kong Huafa Investment Holdings Limited ("Huafa HK"), an indirect controlling shareholder of the Company at a consideration of RMB733,780,000 (equivalent to approximately HK$828,026,000). Property Management Business is principally engaged in the provision of the property management services and related value-added services, including household assistance service and other services in Mainland China (Note 2.1 (d)).

On 22 June 2020, the Group completed the disposal of the entire 100% equity interest in Miracle View Group Ltd. ("Miracle View") to a third party at a total consideration of HK$12,000,000. Miracle View is an investing holding company and through its operating subsidiaries, Rising Win Limited and its subsidiaries, is principally engaged in the provision of financial printing services ("Financial Printing Business") in Hong Kong. Rising Win Limited is a direct 60% owned subsidiary of Miracle View.

On 24 December 2020, the Group completed the disposal of the entire 100% equity interests of 18 subsidiaries at a total consideration of HK$123,394,000 to Huajin Financial Holdings Company Limited, a related company of the Group. These 18 subsidiaries were mainly engaged in the provision of financial services, including financial advisory, securities underwriting and consultancy, securities and futures brokerage, asset management, equity research and financial consultancy, and money lending in Hong Kong ("Financial Services Business").

In addition, after negotiation with Zhuhai SZM CBD Construction Holding Co., Ltd. ("Zhuhai SZM"), the property owner of Sheraton Zhuhai Hotel and Huafa Place ("Two Hotels") as well as a related company of the Group, the Group did not renew the property lease framework agreement (the "Property Lease Framework Agreement") in relation to the lease of the Two Hotels after the expiration of the leasing term on 31 August 2020. Accordingly, the Group did not carry on hotel operation business ("Hotel Operation Business") since 1 September 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

(a) Compliance with HKFRSs and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and disclosure requirements of the Hong Kong Companies Ordinance ("HKCO") Cap. 622.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost convention, except for financial asset at fair value through profit or loss ("FVTPL") which is carried at fair value.

(c) Discontinued operations

As mentioned in Note 1, during the year ended 31 December 2020, the Group disposed of Financial Printing Business, Financial Services Business and discontinued Hotel Operation Business.

For the presentation of the consolidated financial statements, these three operations were regarded as discontinued operations and certain comparative figures have been restated.

(d) Merger accounting for business combination under common control

The consolidated financial statements have been prepared in accordance with the principles of merger accounting as set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as if the Acquisition had been completed at the beginning of the earliest period presented or combining entities first came under the control of the controlling party because the Acquisition was regarded as a business combination under common control of Zhuhai Huafa Group Company Limited ("Zhuhai Huafa") before and after the Completion Date.

Following the Acquisition on 17 January 2020, since each of the Company and Property Management Business were controlled by Zhuhai Huafa, the ultimate controlling shareholder of the Company, before and after the Acquisition, the Acquisition is regarded as "Common Control Combination". Accordingly, the Group has applied merger accounting to account for the Acquisition in respect of Property Management Business in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("AG5") issued by the HKICPA. The consolidated financial statements have been prepared in accordance with AG5 as if the Acquisition had been completed at the beginning of the earliest period presented or combining entities first came under the control of the controlling party.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(d) Merger accounting for business combination under common control (Continued)

Accordingly, the acquired Property Management Business was included in the consolidated financial statements from the beginning of the earliest period presented as if the Property Management Business had always been part of the Group. As a result, the Group has restated certain 2019 comparative amounts of the consolidated financial statements by including the operating results of Property Management Business, as if the Acquisition had been completed on the earliest date of periods being presented, i.e. 1 January 2019. The consolidated statement of financial position of the Group as at 31 December 2019 was restated to include the assets and liabilities of the Property Management Business.

The following is a reconciliation of the effect arising from the common control combination on the consolidated statement of financial position and consolidated statement of comprehensive income in connection with the Acquisition.

	As at 31 December 2019		
	The Group *HK$'000* (As previously reported)	Property Management Business *HK$'000*	The Group *HK$'000* (Restated)
Financial position			
Non-current assets	136,424	62,154	198,578
Current assets	502,964	472,603	975,567
Total assets	639,388	534,757	1,174,145
Non-current liabilities	29,556	234	29,790
Current liabilities	415,775	310,426	726,201
Total liabilities	445,331	310,660	755,991
Total equity	194,057	224,097	418,154

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(d) Merger accounting for business combination under common control (Continued)

	For the year ended 31 December 2019			
	The Group *HK$'000* (As previously reported)	Restatement due to discontinued operations *HK$'000*	Property Management Business *HK$'000*	The Group *HK$'000* (Restated)
Results of operations				
Revenue	527,067	(527,067)	–	–
Operating profit	36,801	(36,801)	–	–
Continuing operations				
Revenue	–	87,450	864,887	952,337
Operating profit	–	2,497	117,618	120,115
(Loss)/profit for the year from continuing operations	–	(10,810)	90,755	79,945
Discontinued operations				
Profit for the year from discontinued operations	–	16,858	–	16,858
Profit for the year	6,048	–	90,755	96,803
Profit attributable to:				
Owners of the Company	4,265	–	90,755	95,020
Non-controlling interests	1,783	–	–	1,783
	6,048	–	90,755	96,803
Profit/(loss) attributable to owners of the Company arising from:				
Continuing operations	–	(10,810)	90,755	79,945
Discontinued operations	–	15,075	–	15,075
	–	4,265	90,755	95,020
Basic and diluted earnings per share attributable to owners of the Company *(HK cent):*	0.0424			0.9444

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(e) Going concern basis

As at 31 December 2020, the Group's total liabilities exceeded its total assets by HK$361,160,000. At the same date, its current liabilities exceeded its current assets by HK$480,303,000. Included in the current liabilities, there were bank borrowings and consideration and relevant interest payable to Huafa HK for the acquisition of Property Management Business (Note 1) of HK$519,000,000 and HK$416,387,000 respectively.

In view of the financial position of the Group, a number of measures have been put in place by the Directors during the year and up to the date of the financial statements, including:

(i) In January 2021, the Group successfully obtained a bank loan of HK$416,800,000 for a term of one year to finance its settlement of the consideration payable to Huafa HK for the acquisition of Property Management Business and the relevant interest up to the date of settlement. The short-term bank loan will be due for repayment in January 2022 and bearing interest at Hibor+1.5% p.a.;

(ii) Subsequent to the year end date, the Group successfully obtained a new banking facility with a limit of HK$100,000,000, which can be drawn down by the Group before 1 May 2021. Moreover, the Group successfully renewed a bank loan of HK$200,000,000 for another term of one year in January 2021. Management of the Group maintains regular communication with its banks and is confident that the existing bank loans can be renewed upon their maturities;

(iii) The Group is actively assessing and looking for other sources of financing including other debt or equity financing to enhance the capital structure and reduce the overall finance expenses;

(iv) Zhuhai Huafa, the ultimate controlling shareholder, had issued a letter of financial support to the Company for a period of twelve months from the approval date of these consolidated financial statements to enable the Group to meet liabilities as they fall due and carry on business without a significant curtailment of operations.

The Directors of the Company have reviewed the Group's cash flows projections prepared by management, which cover a period of not less than twelve months from 31 December 2020. The Directors are of the opinion that, taking into account the anticipated cash flows generated from the Group's operations, the possible changes in its operating performance, the continued availability of the Group's banking facilities, the Group will have sufficient financial resources to fulfill its financial obligations as and when they fall due in the coming twelve months from 31 December 2020. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(f) New standards, amendments to existing standards and interpretations adopted by the Group

The Group has applied the following new standards, amendments to existing standards and interpretations for the first time for their reporting period commencing 1 January 2020:

Standards	Subject of amendment
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting
Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform

There are no other new standards, amendments to existing standards and interpretations that are effective for the first time for this reporting period that could be expected to have a material impact on the Group.

(g) New standards, amendments to existing standards and interpretations not yet adopted

Certain new accounting standards, amendments to existing standards and interpretations have been published that are not mandatory for 31 December 2020 reporting period and have not been early adopted by the Group:

Standards	Subject of amendment	Effective for annual years beginning on or after
Amendments to HKFRS 16	COVID-19-related Rent Concessions	1 June 2020
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds Before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements Project	Annual Improvements to HKFRSs 2018 – 2020	1 January 2022
Amendments to HKAS 1	Presentation of Financial Statements on Classification of Liability	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
Revised Accounting Guideline 5	Merger Accounting for Common Control Combination	1 January 2022
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group's operating businesses are structured and managed separately according to the nature of the operations. Each of the Group's reportable segments represents a strategic business unit that is subject to risks and returns that are different from other reportable operating segments.

The Group is principally engaged in the following:

- Property management – Provision of property management services and related value-added services, including municipal supporting services and other services; and

- Hotel advisory and exhibition services – provision of hotel advisory services and exhibition planning and organisation services.

The Executive Directors consider all assets and revenue relating to the operations are primarily located in Hong Kong and Mainland China.

Segment assets mainly exclude interests in associates, interest in a joint venture, deferred tax assets and other assets that are managed on a central basis.

Segment liabilities mainly exclude income tax payable, deferred tax liabilities, bank borrowings, amount due to a related party and other liabilities that are managed on a central basis.

During the year ended 31 December 2020, revenues from continuing operations of approximately HK$415,116,000 (2019 restated: HK$411,948,000) are derived from Zhuhai Huafa and its subsidiaries ("Zhuhai Huafa Group").

The Executive Directors assess the performance of the operating segments based on their underlying profit, which is measured by profit before income tax, excluding income and expenses that are managed on a central basis.

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

	Property management		Hotel advisory and exhibition services		Total	
	2020	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Revenue from external customers	**1,024,940**	864,887	**61,494**	87,450	**1,086,434**	952,337
Segment results	**178,218**	117,535	**21,685**	26,475	**199,903**	144,010
Unallocated income					**7,966**	2,241
Unallocated expenses					**(65,166)**	(28,099)
Share of results of associates					**585**	(163)
Share of results of a joint venture					**801**	–
Income tax expense					**(48,734)**	(38,044)
Profit for the year from continuing operations					**95,355**	79,945
Segment assets	**779,210**	517,538	**153,882**	117,879	**933,092**	635,417
Discontinued operations					**–**	467,236
Unallocated assets					**97,719**	71,492
Total assets					**1,030,811**	1,174,145
Segment liabilities	**413,686**	301,622	**28,915**	15,790	**442,601**	317,412
Discontinued operations					**–**	324,447
Unallocated liabilities					**949,370**	114,132
Total liabilities					**1,391,971**	755,991
Other segment information:						
Additions to non-current assets	**6,898**	4,600	**502**	2,120	**7,400**	6,720
Cost of sales	**(757,604)**	(679,360)	**(25,727)**	(42,977)	**(783,331)**	(722,337)
Depreciation of property, plant and equipment	**(7,203)**	(7,458)	**(166)**	(40)	**(7,369)**	(7,498)
Depreciation of right-of-use assets	**(2,781)**	(1,841)	**–**	–	**(2,781)**	(1,841)
Amortisation of intangible assets	**(258)**	(71)	**–**	–	**(258)**	(71)
Net impairment losses on financial assets	**(7,659)**	(12,364)	**(133)**	–	**(7,792)**	(12,364)
Fair value losses on financial asset at fair value through profit or loss	**–**	–	**(225)**	(5,851)	**(225)**	(5,851)

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

The Group's revenue by geographical location is determined by the location of services rendered and the geographical location of non-current assets is determined by where the assets are located and are detailed below:

	Revenue from external customers recognised over-time	
	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
– Mainland China	**1,086,434**	952,337

	Non-current assets *(Note)*	
	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
– Mainland China	**46,326**	45,510
– Hong Kong	**–**	111
Discontinued operations	**–**	87,566
	46,326	133,187

Note: Non-current assets exclude interests in associates, interest in a joint venture, financial asset at fair value through profit or loss and deferred tax assets.

4 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Fair value losses on financial asset at fair value through profit or loss	**(225)**	(5,851)
Foreign exchange gain, net	**4,235**	450
Government grants	**5,961**	1,975
Others	**2,634**	2,269
	12,605	(1,157)

5 EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Employee benefit expenses, including directors' emoluments	**631,633**	551,468
Expenses related to short-term and low value lease payments	**7,113**	5,623
Depreciation of property, plant and equipment	**7,369**	7,498
Depreciation of right-of-use assets	**2,781**	1,841
Amortisation of intangible assets	**258**	71
Auditor's professional service fee	**2,500**	1,550
Legal and professional fee	**17,142**	22,493
Greening and cleaning expenses	**101,454**	81,526
Utilities	**22,318**	23,314
Maintenance cost	**28,180**	27,098
Others	**93,743**	96,219
Total cost of sales and administrative expenses	**914,491**	818,701

6 INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profit during the year.

PRC corporate income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years ended 31 December 2020 and 2019 based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the Group entities located in the PRC is 25% or 15%.

Pursuant to the PRC tax law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those foreign invested subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

The Group does not have any plan in the foreseeable future to require its subsidiaries in the PRC to distribute its retained earnings and intends to retain them to operate and expand its business in Mainland China. Accordingly, no deferred income tax liability related to withholding tax on undistributed earnings was accrued as of the end of each reporting period.

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Current tax	**55,719**	42,672
Over provision in prior years	**(1,133)**	–
Deferred tax	**(5,852)**	(4,628)
Income tax expense	**48,734**	38,044

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year arising from continuing operations and loss for the year arising from discontinued operations attributable to owners of the Company of approximately HK$95,355,000 and HK$58,566,000 (2019 restated: profit of approximately HK$79,945,000 and HK$15,075,000 respectively) and the weighted average number of ordinary shares in issue during the year of 10,060,920,000 (2019: 10,060,920,000).

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Profit attributable to owners of the Company arising from continuing operations	**95,355**	79,945
(Loss)/profit attributable to owners of the Company arising from discontinued operations	**(58,566)**	15,075
	36,789	95,020
Shares		
Weighted average number of ordinary shares in issue ('000)	**10,060,920**	10,060,920

	2020	2019
	HK cent	*HK cent*
		(Restated)
Basic and diluted earnings/(loss) per share		
From continuing operations	**0.9478**	0.7946
From discontinued operations	**(0.5821)**	0.1498
	0.3657	0.9444

Diluted earnings/(loss) per share equals to basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2020 and 2019, respectively.

8 DIVIDENDS

No dividend has been paid or declared by the Company for the years ended 31 December 2020 and 2019.

9 TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Trade receivables in relation to provision of property management services *(Note (a))*	**227,421**	161,515
Trade receivables in relation to provision of hotel advisory and exhibition services *(Note (b))*	**24,301**	31,110
Trade receivables in relation to discontinued operations	**–**	89,671
Gross trade receivables *(Note (c))*	**251,722**	282,296
Due from stockbrokers and clearing houses *(Note (d))*	**–**	20,064
Due from stockbroking clients *(Note (d))*	**–**	3,741
	251,722	306,101
Less: loss allowance *(Note (e))*		
– Property management services	**(42,375)**	(33,138)
– Hotel advisory and exhibition services	**(133)**	(98)
– Discontinued operations	**–**	(11,624)
	(42,508)	(44,860)
Trade receivables, net	**209,214**	261,241

Note:

(a) As at 31 December 2020 and 2019, the trade receivables in relation to provision of property management services arisen from Zhuhai Huafa Group amounted to HK$43,770,000 (2019: HK$34,020,000).

(b) As at 31 December 2020 and 2019, the trade receivables in relation to provision of hotel advisory and exhibition services arisen from Zhuhai Huafa Group amounted to HK$23,856,000 (2019: HK$16,171,000).

(c) As at 31 December 2020, the ageing analysis of trade receivables excluding amounts due from stockbrokers, clearing houses and stockbroking clients based on invoice date was as follows:

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Within 1 year	**184,335**	219,715
1 to 2 years	**29,344**	24,834
2 to 3 years	**11,537**	10,175
3 to 4 years	**6,503**	10,789
Over 4 years	**20,003**	16,783
	251,722	282,296

9 TRADE RECEIVABLES *(Continued)*

Note: (Continued)

(d) The settlement terms of trade receivables attributable to the securities trading and stockbroking business, which is part of Financial Services Business, are two days after the trade date, and those of trade receivables attributable to the futures broking business are one day after the trade date. No ageing analysis is disclosed for amounts due from stockbrokers, clearing houses and stockbroking clients as at 31 December 2019.

(e) Movement in the loss allowance for trade receivables were as follows:

	2020 *HK$'000*	2019 *HK$'000* (Restated)
Beginning of year	**44,860**	29,994
Provision recognised – Continuing operations	**6,931**	12,072
Provision recognised – Discontinued operations	**–**	5,155
Receivables written off during the year as uncollectible	**–**	(1,733)
Disposal of discontinued operations	**(11,624)**	–
Exchange differences	**2,341**	(628)
End of year	**42,508**	44,860

(f) As at 31 December 2020 and 2019, the carrying amounts of trade receivables approximated their fair values.

Trade receivables were denominated in the following currencies:

	2020 *HK$'000*	2019 *HK$'000* (Restated)
RMB	**209,214**	159,851
HK$	**–**	97,963
USD	**–**	3,427
	209,214	261,241

The maximum exposure to credit risk as at the end of reporting period is the carrying values of the trade receivables.

10 MARGIN LOANS RECEIVABLE

Margin loans to third parties, which is part of Financial Services Business, are bearing interest at commercial rates, secured by the underlying pledged securities and are repayable on demand. No ageing analysis is disclosed as at 31 December 2019 as, in the opinion of the directors, an ageing analysis is not meaningful in view of the nature of the business of securities margin financing.

As at 31 December 2019, the carrying amount of margin loans receivables approximated its fair values and was denominated in HK$.

11 TRADE PAYABLES

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Due to stockbrokers and dealers *(Note (a))*	**–**	2,399
Due to stockbroking clients *(Note (b))*	**–**	47,922
Trade payables *(Note (c))*	**60,787**	123,531
	60,787	173,852

Note:

(a) The settlement terms of amounts due to stockbrokers and dealers are 2 days after the trade date. No ageing analysis is disclosed for amounts due to stockbrokers and dealers as in the opinion of directors, it does not give additional value in view of the nature of these businesses.

(b) The majority of the trade payables to stockbroking clients are on demand except where certain trade payables to stockbroking clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

The amounts due to stockbroking clients are placed in trust and segregated accounts with authorised institutions. No ageing analysis is disclosed for amounts due to stockbroking clients as in the opinion of directors, it does not give additional value in view of the nature of these businesses.

(c) The average credit period from the Group's trade creditors is 30 to 60 days (2019: 30 to 60), and the amounts are non-interest bearing.

The ageing analysis of other trade payables based on the invoice date was as follows:

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Up to 90 days	**52,319**	93,809
91-180 days	**2,179**	15,360
Over 181 days	**6,289**	14,362
	60,787	123,531

(d) Trade payables were denominated in the following currencies and approximated their fair values due to short term maturities.

	2020	2019
	HK$'000	*HK$'000*
		(Restated)
HK$	**–**	84,876
RMB	**60,787**	88,976
	60,787	173,852

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group expanded its business scope to provide property management services and related value-added services in the PRC since January 2020. In the face of the complex global business environment and fierce market competition, the Group divested its financial printing business in June 2020, formally discontinued its hotel leasing operation business in September 2020 and completed the divestment of its financial services business in December 2020. Since then, the Group will further promote its "One Core, Two Wings" development strategy with property management as the core and hotel advisory and exhibition services as the synergy.

Property management services

Zhuhai Huafa Property Management Services Co. Ltd.*(珠海華發物業管理服務有限公司) ("Zhuhai Huafa Property Management"), an indirect wholly-owned subsidiary of the Company, was founded in 1985. In the increasingly fierce competition in the property management industry, the Company has always adopted a steady and safe corporate style, and continued to develop and innovate in the past year to promote development by empowering and improving quality. According to the report published by China Index Academy, the overall strength of Zhuhai Huafa Property Management is ranked 26th among the Top 100 Property Companies in the PRC in 2020 (2019: ranked 28th). It is also awarded as "26th amongst the 2020 China Top 100 Property Service Enterprises", "15th amongst the 2020 Greater Bay Area Property Service Brand Enterprises", and "16th amongst the 2020 Guangdong Property Service Comprehensive Development Strength Enterprises".

As at 31 December 2020, Zhuhai Huafa Property Management managed a portfolio of properties covering 27 cities in the PRC (the corresponding period of 2019: 20 cities), provided property management services and value-added services to 172 properties with a total contracted GFA of approximately 27.6 million square meters (the corresponding period of 2019: 24.5 million square meters of 138 properties), and with an aggregated revenue-bearing GFA of approximately 16.7 million square meters (the corresponding period of 2019: 13.2 million square meters). Our property management services have covered diversified property types, such as residential buildings, office buildings, industrial parks, convention and exhibition centers, tunnels, commercial centers and ports, super high-rise buildings and different forms of public construction. Meanwhile, Zhuhai Huafa Property Management, extended both the upstream and downstream business of industry chain through its professional subsidiaries, and expanded its super high-rise building business through cooperating with Jones Lang LaSalle. Through the establishment of Xi'an Ziwei Huafa Property Management Co., Ltd., the influence of Zhuhai Huafa Property Management in the northwest region will be further strengthened, thus enhancing its overall competitiveness.

For the year ended 31 December 2020, the Group has recorded revenue of approximately HK$1,024.9 million (2019 restated: HK$864.9 million) from the business segment of property management service, and profit for the year of approximately HK$137.4 million (2019 restated: HK$90.8 million).

Hotel operation, hotel management, hotel advisory and exhibition services

From 1 September 2020, the Group discontinued its hotel leasing operation business, focused on the development of hotel advisory and consultancy services and further allocated the Company's resources to the main business with property management as its core.

Zhuhai Hengqin New Area Huajin International Convention Services Company Limited*（珠海市橫琴新區華金國際會展服務有限公司）(“Huajin Convention”), an indirect wholly-owned subsidiary of the Company, is also advantageously located next to Zhuhai International Convention and Exhibition Centre in SZM Central Business District of Zhuhai City. Meanwhile, the subsidiary taps into the geographical, institutional and industrial merits of the Guangdong-Hong Kong-Macau Greater Bay Area to provide professional, efficient and “one-stop” services of event planning, organisation and undertaking as well as on-site service that cater to clients from home and abroad. In 2020, Huajin Convention actively explored online exhibitions and tried various exhibition methods such as live streaming with goods during the normalization of the epidemic, so as to improve the revenue level by innovating business development methods.

During the year under the review, without considering the discontinued hotel leasing operation business, the Group recorded revenue of approximately HK$61.5 million from the business segment of continuing hotel advisory and exhibition services.

Financial services

Due to the impact of the intense competition and market volatility in the financial industry and other factors, the Group completed the disposal of its financial services segment in December 2020, further divesting businesses that were not related to its main business and were less profitable.

Financial printing services

During the year under review, the financial printing services segment incurred losses. The Group disposed of the financial printing services segment in June 2020.

FINANCIAL REVIEW

For the year ended 31 December 2020, the Group recorded revenue from continuing operations of approximately HK$1,086.4 million (2019 restated: approximately HK$952.3 million), representing an increase of approximately 14.1% from the previous financial year. The Group's profit before income tax from continuing operations increased to approximately HK$144.1 million (2019 restated: approximately HK$118.0 million), which was mainly due to increase in revenue.

Profit for the year attributable to owners of the Company was approximately HK$36.8 million (2019 restated: approximately HK$95.0 million). Basic earnings per share for profit from continuing operations attributable to owners of the Company amounted to approximately HK0.95 cent (2019 restated: approximately HK0.79 cent).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group's cash and cash equivalents amounted to approximately HK$664.9 million (2019 restated: approximately HK$600.1 million) with bank borrowings of HK$519.0 million (2019: HK$150.0 million). The Group held current assets of approximately HK$911.3 million (2019 restated: approximately HK$975.6 million) and total current liabilities of approximately HK$1,391.6 million (2019 restated: approximately HK$726.2 million). The Group's current ratio, being total current assets over total current liabilities, was 0.7 (2019 restated: 1.3). Total deficit of the Group was approximately HK$361.2 million as at 31 December 2020 (2019 restated: Total equity of HK$418.2 million). The Group's gearing ratio, being total liabilities over total assets, was 135.0% (2019 restated: 64.4%).

CAPITAL STRUCTURE

There was no material change in the capital structure of the Company during the year.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

As at 31 December 2020, the Group's interest-bearing financial assets primarily comprised bank deposits and margin loans receivable, and the Group's interest-bearing financial liabilities primarily comprised of bank borrowings and amount due to a related party. As there was no significant financial risk of a change in interest rates, the Group had no interest rate hedging policy.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group conducted its business transactions principally in HK$ and Renminbi ("RMB"). As at 31 December 2020, most of the Group's bank deposits and cash balances were mainly denominated in HK$, United States Dollars ("USD") and RMB. The HK$ is pegged to the USD, and this made the Group's foreign exchange risk exposure minimal. As such, the Group did not utilise any foreign exchange derivatives for hedging purposes as at 31 December 2020. Foreign currency exposure did not pose a significant risk for the Group, but we will remain vigilant and closely monitor our exposure to movements in relevant currencies.

EXPOSURE TO CREDIT RISK

The Group's credit risks mainly arose from contract assets, trade receivables and margin loans receivable, bank balances and deposits and client trust bank balances. The Group strove to manage the risk exposure of trade receivables and margin loans receivable by closely monitoring the payment records of its customers and requesting customer deposits wherever necessary. The credit risk on the bank deposits was limited because of their high credit rating.

EXPOSURE TO PRICE RISK

The Group's financial asset at fair value through profit or loss is exposed to price risk. The management of the Company (the "Management") closely monitored this risk by performing on-going evaluations of its asset value and market conditions.

EXPOSURE TO LIQUIDITY RISK

The Group's licensed operating unit was required to meet various statutory liquidity requirements as prescribed by relevant regulatory authorities during the reporting period. The Group had a monitoring system in place to ensure that it maintained ample liquidity to comply with the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong).

EXPOSURE TO OPERATIONAL RISK

The Group operated financial services in a highly regulated sector during the reporting period. The risk of non-compliance with regulatory requirements might lead to the loss of operating licenses. The Group has actively implemented policies and procedures to ensure compliance with relevant laws and regulations. To the best of the Management's knowledge, the Group had complied with the relevant regulations for its financial services business in Hong Kong, and the Management had not identified any material non-compliance or breach of relevant rules and regulations.

SIGNIFICANT ACQUISITIONS AND DISPOSALS OF INVESTMENTS

Save as disclosed in the abovementioned section headed "Business Review" in this announcement, the Group neither acquired or disposed of any significant investments or properties, nor carried out any material acquisitions or disposals of the Company's subsidiaries and associates during the year.

EMPLOYEES

As at 31 December 2020, the Group had a total of 6,583 employees (2019 restated: 6,076). Staff costs of the Group amounted to approximately HK$631.6 million for the year ended 31 December 2020 (2019 restated: approximately HK$551.5 million), which comprised salaries, commissions, bonuses, other allowances, and contributions to retirement benefit schemes. The Group operates a defined contribution scheme under the Mandatory Provident Fund Schemes Ordinance and provides medical insurance to all its Hong Kong employees. For Mainland employees, social insurance, housing provident fund and pension are provided. The Group structures its employee remuneration packages with reference to general market practice, employees' duties and responsibilities, and the Group's financial performance. The Group provides training courses and developed training programmes to equip its staff with the necessary skills, techniques and knowledge to enhance their productivity and administrative efficiency.

PLEDGE OF ASSETS

As at 31 December 2020, the Group had no pledged assets (2019: Nil).

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any contingent liabilities.

CAPITAL EXPENDITURE

For the year ended 31 December 2020, capital expenditure for property, plant and equipment of the Group amounted to approximately HK$5.7 million (2019 restated: approximately HK$11.9 million).

CAPITAL COMMITMENTS

As at 31 December 2020, the Group did not have any capital commitments.

BUSINESS PLAN

Property management services

Under the impact of Covid-19 epidemic in 2020, the importance of property management industry became more prominent. The property management industry has witnessed a period of rapid development, with a rapidly growing number of property management companies sought for listing status and a significant expansion of the industry scale. At the same time, a number of material policies in the industry have been announced, creating a better policy environment for property service enterprises to develop and pointing out the future development direction for more enterprises to gradually explore diversified development leveraging on the experience gained from traditional property management services. The value of property management services is gradually recognized by the public and the professional community, and the social status and importance of the property management industry is gradually rising. Through the development of property management services and related value-added services, the Group aimed to further strengthen its strategic positioning as a high-end service platform and ensure sustainable development, with a view to enhancing the overall operational performance of the Group in the future.

Zhuhai Huafa Property Management provides three types of property management services, which constitute the comprehensive services provided to its clients and cover the entire property management value chain, namely:

1) Property management services: provide a range of property management services to owners, tenants and property developers. During the reporting period, the revenue from this business increased by approximately 16.7% year-on-year for the full year of 2020, and gross profit increased by more than 30% year-on-year.

2) Value-added services to property owners: lay out a diversified services around the core users, and maintain steady growth in customized services, value-added services in public areas, and E-Commerce and community finance. Revenue from this business increased by approximately 10% year-on-year for the full year of 2020 and gross profit reached 36.4% for the year.

3) Other value-added services: In addition to value-added services for property owners in areas such as public areas, the Group also achieved relatively stable growth in other value-added services in aspects such as supporting services to property developers at the pre-delivery stage, maintenance of municipal works and elevator maintenance. Revenue from this business increased by approximately 30% year-on-year for the full year of 2020.

Owing to the long-term collaboration between Zhuhai Huafa Property Management and Zhuhai Huafa, the Group has been backed by vigorous support from Zhuhai Huafa in terms of expanding the property management business. As a state-owned enterprise wholly-owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People's Government* (珠海市人民政府國有資產監督管理委員會), Zhuhai Huafa is one of the Top 500 Chinese Enterprises, Top 500 Chinese Service Companies and Top 100 Chinese Multinational Corporations. In 2020, total assets of Zhuhai Huafa exceeded RMB475.0 billion and its revenue exceeded RMB110.0 billion, ranking 259th on the list of the "China Top 500 Companies".

Compared with private property management enterprises, Zhuhai Huafa Property Management has an obvious advantage in obtaining engagements from the public sector such as public security bureau, prosecutor's office, court, hospitals and government office buildings by relying on Zhuhai Huafa's background as a state-owned enterprise. In 2020, additional expansion projects of the Company included, but are not limited to, projects from Zhuhai Intermediate People's Court, Zhuhai Water Environment Holdings Group LTD, Zhuhai City Construction Archives and Zhuhai Central Branch of the People's Bank of China, etc. As such, the strong and stable relationship between Zhuhai Huafa Property Management and Zhuhai Huafa is expected to bring the Group a substantial source of business and stronger competitiveness in external expansion for its property management business.

Looking into 2021, the Group will continue to properly utilize its collaborative ties with Zhuhai Huafa and fully capitalize on its edge as a listed company, to further enhance the brand awareness of Zhuhai Huafa Property Management and solidify its market leadership in the PRC. The specific initiatives are as follows:

1) As regards the expansion of scale, the property management industry has displayed such characteristics as speedy scale amplification, constant increase in industry concentration, and frequent industry mergers and acquisitions. The Group will strengthen its cooperation with independent third-party property developers through a healthy expansion strategy, especially for the expansion of business in third-party public construction projects. Meanwhile, the Group will also further enhance the operations of its headquarters in Zhuhai, proactively work on its layout in other key domestic cities, and stress on growing the business model of "residential business as the core, expanding commercial and office properties as well as public infrastructure projects, industrial parks and municipal projects", expanding the business of "City Butler", upgrading the "city excellence + service" in an all-round way, expanding non-residential formats, thus boosting its business scale and market share.

2) As regards diversified business forms, considering the potential acquisition targets identified for consideration by the Company, the Company aims to broaden its business presence through merger and acquisition activities in property management companies and upstream and downstream of the industry chain while further deepening on external market expansion. In order to further elevate its service quality and consolidate its leading industry reputation, the Group will cater to the increasingly stringent service requirements of clients with even better value-added services such as community finance, community trading service and other community commercial services so as to strengthen the adhesion with property owners. At the same time, the Group will increase its efforts in technology empowerment, improve the level of informationization, develop smart property communities via technological means and increase the types of its value-added services in property management to pursue more diverse profit models while enhancing the owners' quality of life experience.

3) In respect of talents management, given that the property management industry is characteristic of evolving towards high-end professionals, the Group will remain committed to the "people-oriented" concept and combine the introduction of high-caliber talents with internal training. In tandem with continuous introduction of key market talents in such areas as high end management and strategic operation, the Group will never cease to implement its incentive policy for employees to improve their academic and professional qualifications, establish a training system to train them and lift the overall operational efficiency of frontline and administrative personnel.

4) As regards the control of labour cost in its cost of sales, the Group will, from time to time, review its operational efficiency in light of controlling labour cost while optimizing its service provision to clients, so as to maintain the profitability of the property management business.

Leveraging its proven overall strength and professional property management services, Zhuhai Huafa Property Management has grown in a robust and swift pace. Going forward, Zhuhai Huafa Property Management will rely on the organic growth of the Zhuhai Huafa's network, execute its expansion strategy of concentrating on key development regions to deliver expansion growth as well as more mergers and acquisitions when suitable opportunities arise, so to amplify the overall effect of scale and business revenue. By seizing the "Technology+" strategic plan as an opportunity to accelerate its information-based development, the Group will further bolster service quality and operational efficiency, and work to develop into a community life operator and integrated facility service provider based in the Guangdong-Hong Kong-Macau Greater Bay Area and equipped with a global vision, persistent quality innovation, pursuit of knowledge-based management and practice of social responsibility.

Hotel advisory and exhibition services

As regards the business segment of hotel advisory and exhibition services, the Group will capture the favourable timing of accelerated development of the Guangdong-Hong Kong-Macau Greater Bay Area, and fully leverage the geographic edge of Zhuhai as a popular tourist destination in China and a core city in the Greater Bay Area. By expanding marketable projects, it will vie for market opportunities to secure stable growth of its hotel advisory and exhibition services segment. In the meantime, more investment will be made in the technology sphere to develop and promote the function of smart operations service, to enable "one click" digital management of exhibition activities with lower costs and better service performance and seek potential market-oriented business opportunities for the segment so that the Group's revenue streams can be further diversified and widened.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year under review.

CORPORATE GOVERNANCE

During the year under review, the Company, in the opinion of the Directors, has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the Model Code during the year under review and up to the date of this announcement.

PROPOSED FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 December 2020.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 25 June 2008 and the written terms of reference of Audit Committee are aligned with Corporate Governance Code as contained in Appendix 14 to the Listing Rules. The Audit Committee is chaired by Dr. Chen Jieping and as at the date of this announcement, the Audit Committee members are all independent non-executive Directors, namely Dr. Chen Jieping, Mr. Pu Yonghao and Mr. Guo Shihai.

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal controls systems of the Company and provide advice and comments on the Company's draft annual reports and accounts to Directors.

The Audit Committee held two meetings during the year to review the audited consolidated financial statements for the year ended 31 December 2019 and the unaudited consolidated financial statements for the six months ended 30 June 2020, with recommendations to the Board for approval; and reviewed the accounting principles and policies adopted by the Group and its financial reporting functions, risk management and internal control systems. During the year, the Audit Committee met the Company's auditor twice.

The Group's audited consolidated annual results for the year ended 31 December 2020 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

PUBLIC FLOAT

The Company has maintained the public float as required by the Listing Rules up to the date of this announcement.

EVENTS AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

As disclosed in the announcement of the Company dated 15 March 2021, the change of the official registered English name of the Company from "HJ Capital (International) Holdings Company Limited" to "Huafa Property Services Group Company Limited" and adoption of the Chinese name of "華發物業服務集團有限公司" as the secondary name of the Company in replacement of its former name in Chinese of "華金國際資本控股有限公司" which was used for identification purpose, has become effective, and the Company's stock short name, logo and website were updated accordingly. For details, please refer to the aforementioned announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting to be held on Friday, 28 May 2021, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 May 2021.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company's website (www.huafapropertyservices.com). The 2020 annual report will be despatched to the shareholders of the Company and will be available on websites of Hong Kong Exchanges and Clearing Limited and the Company in due course.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to our clients and shareholders for their continuous and valuable support. I would also like to take this opportunity to thank our Board of Directors, management team and staff for their dedication and hard work during last year.

By Order of the Board
Huafa Property Services Group Company Limited
Li Guangning
Executive Director and Chairman

Hong Kong, 23 March 2021

As at the date of this announcement, the Board of the Company comprises Mr. Li Guangning (Executive Director and Chairman), Mr. Xie Wei (Executive Director and Chief Executive Officer), Ms. Guo Jin and Mr. Tze Kan Fat (all being Executive Directors); Ms. Zhou Youfen and Mr. Shong Hugo (all being Non-executive Directors); Dr. Chen Jieping, Mr. Pu Yonghao and Mr. Guo Shihai (all being Independent Non-executive Directors).

* *For identification purposes only*