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Huafa Property Services Group Company Limited
華發物業服務集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 982)

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTION
RELATING TO HOTEL CONSULTANCY SERVICES
FRAMEWORK AGREEMENT**

**(2) RENEWAL OF CONTINUING CONNECTED TRANSACTION
RELATING TO CONVENTION & EXHIBITION BUSINESS
COOPERATION FRAMEWORK AGREEMENT**

**(3) ENTERING INTO CONTINUING CONNECTED TRANSACTION
RELATING TO PROCUREMENT COOPERATION
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**(4) EARLY TERMINATION OF AN EXISTING CONTINUING CONNECTED
TRANSACTION RELATING TO PROCUREMENT COOPERATION
FRAMEWORK AGREEMENT**

HOTEL CONSULTANCY SERVICES AND CONVENTION & EXHIBITION SERVICES

References are made to the announcement of the Company dated 29 April 2019 and the circular dated 2 July 2019 in relation to, *inter alia*, the Existing Hotel Consultancy Services Framework Agreement dated 29 April 2019 and entered into between the Management Company and Zhuhai Huafa. References are also made to the announcement of the Company dated 18 July 2019 and the circular dated 27 August 2019 in relation to, *inter alia*, the Existing Convention & Exhibition Business Cooperation Framework Agreement dated 18 July 2019 and entered into between the Consultant Company and Zhuhai Huafa.

As the Existing Hotel Consultancy Services Framework Agreement and the Existing Convention & Exhibition Business Cooperation Framework Agreement will expire on 31 December 2021 and the Group expects to continue to carry on the transactions contemplated thereunder upon their expiry, on 28 December 2021 (after the trading hours), the Management Company has entered into the 2021 Hotel Consultancy Services Framework Agreement with Zhuhai Huafa and the Consultant Company has entered into the 2021 Convention & Exhibition Business Cooperation Framework Agreement with Zhuhai Huafa in relation to the renewal of continuing connected transactions regarding the provision of Hotel Consultancy Services and Convention & Exhibition Services to Zhuhai Huafa for a term of three years from 1 January 2022 and ending on 31 December 2024.

PROCUREMENT OF PRODUCTS AND SERVICES

References are also made to the announcement of the Company dated 20 December 2019, the circular dated 27 December 2019 and the announcement of the Company dated 22 June 2021 in relation to, *inter alia*, the Existing Procurement Cooperation Framework Agreement dated 20 December 2019 and entered into between Zhuhai Huafa Property Management and Zhuhai Huafa, which was supplemented by the Supplemental Agreement dated 22 June 2021, in relation to the supply of the Products and Services by Zhuhai Huafa Group to Zhuhai Huafa Property Management Group, for a term commencing on 17 January 2020 and ending on 31 December 2022.

The Company expects that based on the estimated procurement needs of the Group, the Group (besides Zhuhai Huafa Property Management Group), in particular the Management Company and the Consultant Company, will also require to procure the Products and Services to meet their general daily administration and business operation needs. On 28 December 2021 (after trading hours), the Company and Zhuhai Huafa entered into the 2021 Procurement Cooperation Framework Agreement in relation to the supply of the Products and Services to extend the supply of the Products and Services by Zhuhai Huafa Group to all members of the Group for a term of three years from 1 January 2022 and ending on 31 December 2024. The Existing Procurement Cooperation Framework Agreement will terminate with effect from 1 January 2022, being the date on which the 2021 Procurement Cooperation Framework Agreement becomes effective, and all rights and obligations under the Existing Procurement Cooperation Framework Agreement will terminate save for any antecedent breach and/or any rights or obligations which may have accrued under the Existing Procurement Cooperation Framework Agreement prior to such termination.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhuhai Huafa is an indirect controlling shareholder of the Company interested in approximately 38.78% of the total issued share capital of the Company, Zhuhai Huafa is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, each of the 2021 Framework Agreements constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since all applicable percentage ratios in respect of each of the 2021 Framework Agreements are more than 0.1% but less than 5%, the transactions contemplated under the 2021 Framework Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Renewal of the Existing Hotel Consultancy Services Framework Agreement and the Existing Convention & Exhibition Business Cooperation Framework Agreement

References are made to the announcement of the Company dated 29 April 2019 and the circular dated 2 July 2019 in relation to, *inter alia*, the Existing Hotel Consultancy Services Framework Agreement dated 29 April 2019 and entered into between the Management Company and Zhuhai Huafa. References are also made to the announcement of the Company dated 18 July 2019 and the circular dated 27 August 2019 in relation to, *inter alia*, the Existing Convention & Exhibition Business Cooperation Framework Agreement dated 18 July 2019 and entered into between the Consultant Company and Zhuhai Huafa.

On 29 April 2019, the Management Company and Zhuhai Huafa entered into the Existing Hotel Consultancy Services Framework Agreement. Pursuant to the Existing Hotel Consultancy Services Framework Agreement, Zhuhai Huafa agreed to retain and the Management Company agreed to provide, the Hotel Consultancy Services for a term not exceeding three years commencing on 19 July 2019, being the date on which all conditions precedent of the Existing Hotel Consultancy Services Framework Agreement having been fulfilled, to 31 December 2021.

On 18 July 2019, the Consultant Company and Zhuhai Huafa entered into the Existing Convention & Exhibition Business Cooperation Framework Agreement. Pursuant to the Existing Convention & Exhibition Business Cooperation Framework Agreement, the Consultant Company agreed to cooperate, and Zhuhai Huafa agreed to retain the Consultant Company for the Convention & Exhibition Services for a term not exceeding three years commencing on 17 September 2019, being the date on which all conditions precedent of the Existing Convention & Exhibition Business Cooperation Framework Agreement having been fulfilled, to 31 December 2021.

As the Existing Hotel Consultancy Services Framework Agreement and the Existing Convention & Exhibition Business Cooperation Framework Agreement will expire on 31 December 2021 and the Group expects to continue to carry on the transactions contemplated thereunder upon their expiry, the Management Company has entered into the 2021 Hotel Consultancy Services Framework Agreement with Zhuhai Huafa and the Consultant Company has entered into the 2021 Convention & Exhibition Business Cooperation Framework Agreement with Zhuhai Huafa on 28 December 2021 in relation to the renewal of continuing connected transactions regarding the provision of Hotel Consultancy Services and Convention & Exhibition Services to Zhuhai Huafa.

Entering into 2021 Procurement Cooperation Framework Agreement and Early Termination of Existing Procurement Cooperation Framework Agreement

References are made to the announcement of the Company dated 20 December 2019, the circular dated 27 December 2019 and the announcement of the Company dated 22 June 2021 in relation to, *inter alia*, the Existing Procurement Cooperation Framework Agreement dated 20 December 2019 and entered into between Zhuhai Huafa Property Management and Zhuhai Huafa, which was supplemented by the Supplemental Agreement dated 22 June 2021, in relation to the supply of Products and Services by Zhuhai Huafa Group to Zhuhai Huafa Property Management Group, the term of which will expire on 31 December 2022.

Pursuant to the Existing Procurement Cooperation Framework Agreement as supplemented by the Supplemental Agreement, Zhuhai Huafa Property Management agreed to procure the Products and Services from Zhuhai Huafa Group for a term commencing on 17 January 2020, being the date on which all the conditions precedent of the Existing Procurement Cooperation Framework Agreement having been fulfilled, until 31 December 2022. Products and Services include (a) products including (i) vehicles for office use and municipal engineering vehicles; (ii) office stationery, learning cards and other products; and (iii) plants for office decoration; and (b) services including (i) leasing of venues for events or office use; (ii) visual identity logo design, printing and production; (iii) human resources services; (iv) information installation, and maintenance services such as development, installation, and maintenance of management platform, service platform and other system services; and (v) employee outpatient emergency group medical insurance, and major illness insurance and accident and injury insurance. Products and Services so procured supports the business needs of Zhuhai Huafa Property Management Group.

As the Company expects that based on the estimated procurement needs of the Group, the Group (besides Zhuhai Huafa Property Management Group), in particular the Management Company and the Consultant Company, will also require to procure the Products and Services to meet their general daily administration and business operation needs, the Directors consider that it would be in the best interests of the Company to enter into 2021 Procurement Cooperation Framework Agreement in relation to the procurement of the Products and Services from Zhuhai Huafa Group such that the supply of the Products and Services by Zhuhai Huafa Group shall be extended to all members of the Group in accordance with the business and procurement needs of the Group for a term of three years from 1 January 2022 and ending on 31 December 2024.

On 28 December 2021 (after trading hours), the Company and Zhuhai Huafa entered into the 2021 Procurement Cooperation Framework Agreement in relation to the procurement of the Products and Services from Zhuhai Huafa Group by the Group for a term of three years from 1 January 2022 and ending on 31 December 2024. The Existing Procurement Cooperation Framework Agreement will terminate with effect from 1 January 2022, being the date on which the 2021 Procurement Cooperation Framework Agreement becomes effective, and all rights and obligations under the Existing Procurement Cooperation Framework Agreement will terminate save for any antecedent breach and/or any rights or obligations which may have accrued under the Existing Procurement Cooperation Framework Agreement prior to such termination. The Company and Zhuhai Huafa have agreed on their respective rights and obligations in relation to the supply and procurement of the Products and Services in accordance with the 2021 Procurement Cooperation Framework Agreement.

THE 2021 HOTEL CONSULTANCY SERVICES FRAMEWORK AGREEMENT

As the Existing Hotel Consultancy Services Framework Agreement will expire on 31 December 2021 and the Group expects to continue to carry on the transactions contemplated thereunder upon its expiry, the Company has entered into the 2021 Hotel Consultancy Services Framework Agreement on 28 December 2021.

(a) Principal terms

The principal terms of the 2021 Hotel Consultancy Services Framework Agreement are set out below:

Date

28 December 2021

Parties

- (i) The Management Company
- (ii) Zhuhai Huafa

Services to be provided

The Management Company agreed to provide, and Zhuhai Huafa agreed to accept, the Hotel Consultancy Services in respect of the Target Hotels. The Hotel Consultancy Services are set out below.

Term of Service

The 2021 Hotel Consultancy Services Framework Agreement is entered into for a term of three years from 1 January 2022 and ending on 31 December 2024, subject to the fulfilment (or waiver under any circumstances, where applicable) of all the conditions precedent set out in the section titled “conditions precedent” below.

Hotel Consultancy Services

The Hotel Consultancy Services to be provided by the Management Company pursuant to the 2021 Hotel Consultancy Services Framework Agreement shall comprise the following:

Services

Consultation services
provided to Target Hotels
(Note)

The Company shall provide general consultancy services to the Target Hotels, including but not limited to (i) market and financial feasibility studies; (ii) hotel brand introduction and negotiation; (iii) design management and cost management consultancy; (iv) staff recruitment and professional skills training; (v) hotel operation commencement preparation management and consulting; and (vi) hotel operation management assistance service.

Note:

The Management Company will no longer provide management services (Type 1) to St. Regis Zhuhai under the Existing Hotel Consultancy Services Framework Agreement.

The Management Company and Zhuhai Huafa agree that they shall make corresponding adjustments to the above Hotel Consultancy Services according to the needs of individual projects.

Individual services agreements

As the 2021 Hotel Consultancy Services Framework Agreement only sets out the framework of the Hotel Consultancy Services required generally, in respect of the specific services to be provided by the Management Company, the Management Company shall enter into separate services agreements which set out the scope of services, service fee charging standard, timetable and payment methods, etc. (the “**Individual Services Agreements**”) with individual Zhuhai Huafa Group Company in accordance with the specific requirements of each individual project. The service scope shall be within that of the Hotel Consultancy Services and the service fees per year shall not be higher than the annual cap for the respective year.

Price determination

The terms and service fees of the Individual Services Agreements shall be negotiated and agreed through arm’s length negotiations between the Management Company and Zhuhai Huafa Group Company. Terms offered to the Management Company shall be no less favourable to the Company, or no more favourable to Zhuhai Huafa, than those available from independent third parties. The service fees shall be determined using an appropriate, reasonable and fair valuation method and shall not be lower than that of the service fees received by the Management Company from independent third parties in similar transactions.

The service fees will be determined by reference to the service fees charged by the Management Company for providing similar services to independent third party hotels; and if not available, the average service quotations by not less than three independent third party service providers for providing such services to the relevant Target Hotel in order to ensure that the terms of the Individual Services Agreements are fair and reasonable and no less favourable to the Company, or no more favourable to Zhuhai Huafa, than those available from independent third parties. To that end, the market research department and the technical support department of the Management Company will be responsible for obtaining quotations from independent third party service providers. In the event of conflicts between the terms of the Individual Services Agreements and the 2021 Hotel Consultancy Services Framework Agreement, the terms of the 2021 Hotel Consultancy Services Framework Agreement shall prevail.

Payment

Unless otherwise agreed between the parties, the service fees for the Hotel Consultancy Services shall be settled in the manner as follows: the Management Company shall issue an invoice to the relevant service recipient(s) within 15 China business days after completion of the relevant Hotel Consultancy Services. The relevant service recipient(s) shall pay to the Management Company the relevant service fees within 15 China business days after receiving and confirming the invoice. Zhuhai Huafa shall procure the relevant service recipient(s) to make such payments, and shall unconditionally undertake to pay to the Management Company the relevant service fees where the relevant service recipient(s) fails to make such payments within 15 China business days after receiving and confirming the relevant invoice.

Conditions precedent

The provision of the Hotel Consultancy Services is conditional upon fulfilment or waiver in writing (as the case may be) of the following conditions precedent on or before 31 December 2021:

- (i) the Management Company not breaching any of the representations and warranties under the 2021 Hotel Consultancy Services Framework Agreement and such representations and warranties remaining true, accurate and complete in all material respects and not misleading as of the date of the 2021 Hotel Consultancy Services Framework Agreement and up to 31 December 2021; and
- (ii) all the necessary authorisations, registrations, filings, confirmations, permits, consents and approvals for the transactions contemplated under the 2021 Hotel Consultancy Services Framework Agreement having been obtained by the Management Company and Zhuhai Huafa.

If any of the conditions precedent cannot be fulfilled (or relinquished or waived under any circumstances, where applicable) on or before 31 December 2021 (or such other date as agreed in writing between the parties), the 2021 Hotel Consultancy Services Framework Agreement and the transaction as contemplated thereunder shall be forthwith terminated and be of no effect. As at the date of this announcement, condition precedent (ii) has been fulfilled.

Termination

The parties may terminate the 2021 Hotel Consultancy Services Framework Agreement prior to the expiration of the service period with the mutual written consent by the Management Company and Zhuhai Huafa. Upon termination of the 2021 Hotel Consultancy Services Framework Agreement, the relevant Individual Services Agreements shall be terminated automatically.

(b) Transaction amounts

The transaction amounts received by the Management Company under the Existing Hotel Consultancy Services Framework Agreement in respect of the consultancy services provided to the Target Hotels are set out below for reference:

	From 19 July 2019 to 31 December 2019 <i>(RMB millions)</i>	For the year ended 31 December 2020 <i>(RMB millions)</i>	For the nine months ended 30 September 2021 <i>(RMB millions)</i>
Consultation services provided to the Target Hotels	7.26	5.03	0.40 <i>(Note)</i>

Note:

1. Based on the information currently available to the Company's management, the transaction amount for the nine months ended 30 September 2021 is RMB0.40 million, whereas the estimated transaction amount for the year ending 31 December 2021 will be RMB5.83 million.

(c) Annual caps and basis of determination

The proposed annual caps for the transactions contemplated under the 2021 Hotel Consultancy Services Framework Agreement for each of the three years ending 31 December 2022, 2023 and 2024 are as follows:

	For the year ending 31 December 2022 (RMB millions)	For the year ending 31 December 2023 (RMB millions)	For the year ending 31 December 2024 (RMB millions)
Service fees for Hotel Consultancy Services provided to the Target Hotels	9.0	10.0	11.0

In considering the service fees annual caps under the 2021 Hotel Consultancy Services Framework Agreement, the Directors have considered a number of factors including:

- (i) the historical service fees received by the Management Company under the Existing Hotel Consultancy Services Framework Agreement;
- (ii) Zhuhai Huafa's business plan on various hotel development projects in the next three years (including its plan to cooperate with potential hotel brand owners and enhance cost management in Target Hotels), and the Hotel Consultancy Services expected to be required from (i) eleven Target Hotels to which the Management Company had previously provided services under the Existing Hotel Consultancy Services Framework Agreement, (ii) two Target Hotels which are the Management Company's potentially new service targets; and (iii) additional potential hotel development projects of Zhuhai Huafa in the next three years in anticipation of the recovery of the hotel tourism industry in the PRC from the impact of COVID-19 epidemic;
- (iii) estimated service fees receivable by the Management Company with reference to (i) the resources inputs costs of the Management Company, specific service scope and complexity, project schedule, market practice and service fees for previous transactions, and (ii) the expected demand for Hotel Consultancy Services from the Target Hotels based on discussions between the Management Company and Zhuhai Huafa Group Companies; and
- (iv) recent market research performed by the Management Company's business department with respect to the service fees quoted by independent hotel consultancy and management service providers for providing Hotel Consultancy Services to international and domestic branded hotels.

(d) Reasons and Benefits of entering into the 2021 Hotel Consultancy Services Framework Agreement

As mentioned in the 2020 annual report of the Company, the Group is engaged in hotel advisory services through the Management Company. As a professional consultant for hotel project development with international resources, the Management Company has provided hotel investors and developers with “full process” consultancy services for hotel projects, which has been highly recognized and appreciated by the PRC Government and business partners.

Trusted for its profession and experience in hotel advisory and management, the Management Company has been providing Hotel Consultancy Services to Zhuhai Huafa Group since 2018. Under the Existing Hotel Consultancy Services Framework Agreement, the Group has been able to secure service engagements for Hotel Consultancy Services provided to Target Hotels owned by, under construction and proposed to be constructed by Zhuhai Huafa Group. With the gradual recovery from the impact of the COVID-19 epidemic and the experience in the provision of Hotel Consultancy Services to Zhuhai Huafa Group, the Company is confident that the Management Company is capable of providing the Hotel Consultancy Services to a wider range of hotels owned and operated by Zhuhai Huafa Group and can satisfy the requirements and up to the standards required by Zhuhai Huafa. Hence, the Management Company decided to enter into the 2021 Hotel Consultancy Services Framework Agreement to provide to Zhuhai Huafa Group the Hotel Consultancy Services for a further term of three years after the expiry of the Existing Hotel Consultancy Services Framework Agreement. The Directors (including the independent non-executive Directors but excluding all executive Directors and our non-executive Director, Ms. Zhou Youfen, who abstained from voting) are of the view that the 2021 Hotel Consultancy Services Framework Agreement and the proposed annual caps are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

THE 2021 CONVENTION & EXHIBITION BUSINESS COOPERATION FRAMEWORK AGREEMENT

As the Existing Convention & Exhibition Business Cooperation Framework Agreement will expire on 31 December 2021 and the Group expects to continue to carry on the transactions contemplated thereunder upon its expiry, the Company has entered into 2021 Convention & Exhibition Business Cooperation Framework Agreement on 28 December 2021.

(a) Principal terms

The principal terms of the 2021 Convention & Exhibition Business Cooperation Framework Agreement are set out below:

Date

28 December 2021

Parties

- (i) The Consultant Company
- (ii) Zhuhai Huafa

Services to be provided

Pursuant to the 2021 Convention & Exhibition Business Cooperation Framework Agreement, the Consultant Company agreed to cooperate, and Zhuhai Huafa agreed to retain the Consultant Company for the Convention & Exhibition Services. The Convention & Exhibition Services are more particularly set out below.

Term of Service

The 2021 Convention & Exhibition Business Cooperation Framework Agreement is entered into for a term of three years from 1 January 2022 and ending on 31 December 2024, subject to the fulfilment (or waiver under any circumstances, where applicable) of all the conditions precedent set out in the section titled “conditions precedent” below.

Convention & Exhibition Services

The Convention & Exhibition Services pursuant to the 2021 Convention & Exhibition Business Cooperation Framework Agreement shall comprise the following:

Services

- C&E Project undertaking
- The Consultant Company shall provide the following services pertinent to the specific features and characteristics of individual C&E Projects in accordance with the needs and requirements of Zhuhai Huafa:
- (i) preparing plans and budget for the event, providing consultancy services;
 - (ii) where necessary, application to relevant authorities for permits and approvals to host C&E Project;
 - (iii) event venue provision and set up, decoration, on-site execution, live broadcasting/transmission, translation services;
 - (iv) advertising and promotional activities, including design, material production and advertising;
 - (v) business promotion and integration of cooperation resources;
 - (vi) planning and implementation of supporting services, including cultural performance, achievement release and visits; and
 - (vii) guest reception services, provision of food and beverage, transportation, accommodation and butler services to guests, etc.

The Consultant Company and Zhuhai Huafa agree that they shall make corresponding adjustments to the above Convention & Exhibition Services according to needs of individual C&E Projects.

Individual cooperation agreements

As the 2021 Convention & Exhibition Business Cooperation Framework Agreement only sets out the framework of the Convention & Exhibition Services required generally, in respect of the specific services to be provided by the Consultant Company, the Consultant Company shall enter into separate services agreements which set out the scope of services, cooperation fee charging standard, timetable and payment methods, etc. (the “**Individual Cooperation Agreements**”) with individual Zhuhai Huafa Group Company requiring such Convention & Exhibition Services in accordance with the specific requirements of each individual C&E Project. The service scope shall be within that of the Convention & Exhibition Services and the aggregate cooperation fees received by the Consultant Company in respect of all Individual Cooperation Agreements per year shall not be higher than the annual cap for the respective years.

Price Determination

The terms and cooperation fees of the Individual Cooperation Agreements shall be negotiated and agreed through arm’s length negotiations between the Consultant Company and the individual Zhuhai Huafa Group Company. The cooperation fees for the Individual Cooperation Agreements will be determined with reference to the cooperation fees chargeable by the Consultant Company for providing similar Convention & Exhibition Services to independent third parties, where applicable, the scope of services involved and the anticipated costs of the services. Quotations from at least three independent third party service providers for providing such services of similar nature and scale for the relevant C&E Projects (considering, among others, scope of services, location, type and size of the event venue, days of the event, expected number of exhibitors/participants) shall be obtained in order to ensure that the terms of the Individual Cooperation Agreements are fair and reasonable. Terms offered to the Consultant Company shall be no less favourable to the Company, or no more favourable to Zhuhai Huafa Group, than those available from independent third parties. In the event of conflicts between the terms of the Individual Cooperation Agreements and the 2021 Convention & Exhibition Business Cooperation Framework Agreement, the terms of 2021 Convention & Exhibition Business Cooperation Framework Agreement shall prevail.

Payment

The Consultant Company and Zhuhai Huafa agree that the Consultant Company shall be paid 60% of the total cooperation fees upon signing of each relevant Individual Cooperation Agreement while the remaining 40% of the total cooperation fee shall be paid to the Consultant Company after the accomplishment of the relevant C&E Projects as stipulated under each of the relevant Individual Cooperation Agreement.

Conditions precedent

The provision of the Convention & Exhibition Services is conditional upon fulfillment or waiver in writing (as the case may be) of the following conditions precedents on or before 31 December 2021:

- (i) the Consultant Company not breaching any of the representations and warranties under the 2021 Convention & Exhibition Business Cooperation Framework Agreement and such representations and warranties remaining true, accurate and complete in all material respects and not misleading as of the date of the 2021 Convention & Exhibition Business Cooperation Framework Agreement and up to 31 December 2021; and
- (ii) all the necessary authorisations, registrations, filings, confirmations, permits, consents and approvals for the transactions contemplated under the 2021 Convention & Exhibition Business Cooperation Framework Agreement having been obtained by the Consultant Company and Zhuhai Huafa.

If any of the conditions precedent cannot be fulfilled (or relinquished or waived under any circumstances, where applicable) on or before 31 December 2021 (or such other date as agreed in writing between the parties), the 2021 Convention & Exhibition Business Cooperation Framework Agreement and the transaction as contemplated thereunder shall be forthwith terminated and be of no effect. As at the date of this announcement, condition precedent (ii) has been fulfilled.

Termination

The parties may terminate the 2021 Convention & Exhibition Business Cooperation Framework Agreement prior to the expiration of the service term with the mutual written consent of the Consultant Company and Zhuhai Huafa. Upon termination of the 2021 Convention & Exhibition Business Cooperation Framework Agreement, the relevant Individual Cooperation Agreements shall be terminated automatically.

(b) Transaction amounts

The transaction amounts received by the Group under the Existing Convention & Exhibition Business Cooperation Framework Agreement are set out below for reference:

	From 17 September 2019 to 31 December 2019 (RMB millions)	For the year ended 31 December 2020 (RMB millions)	For the nine months ended 30 September 2021 (RMB millions)
Cooperation fees for the Convention & Exhibition Services	50.94	43.92	0.28 <i>(Note)</i>

Note:

Based on the information currently available to the Company's management, the transaction amount for the nine months ended 30 September 2021 is RMB0.28 million, whereas the estimated transaction amount for the year ending 31 December 2021 will be RMB6.63 million. The significant decrease in the estimated transaction amount of cooperation fees for the Convention & Exhibition Services for the year ending 31 December 2021 as compared with that for the year ended 31 December 2020 was primarily due to the delay or cancellation of conventionally held C&E Projects in 2021 as a result of measures against COVID-19 epidemic in the year.

(c) Annual caps and basis of determination

The proposed annual caps for the transactions contemplated under the 2021 Convention & Exhibition Business Cooperation Framework Agreement for each of the three years ending 31 December 2022, 2023 and 2024 are as follows:

	For the year ending 31 December 2022 (RMB millions)	For the year ending 31 December 2023 (RMB millions)	For the year ending 31 December 2024 (RMB millions)
Cooperation fees for the Convention & Exhibition Services	43.9	43.9	43.9

In considering the cooperation fees annual caps under the 2021 Convention & Exhibition Business Cooperation Framework Agreement, the Directors have considered a number of factors including:

- (i) the historical cooperation fees received by the Consultant Company under the Existing Convention & Exhibition Business Cooperation Framework Agreement;
- (ii) Zhuhai Huafa's plan on various C&E Projects and the services expected to be required by Zhuhai Huafa based on discussions between the Consultant Company and Zhuhai Huafa;
- (iii) the estimated number, scale, indicative scope and complexity of the Convention & Exhibition Services in respect of each C&E Project based on discussions between the Consultant Company and Zhuhai Huafa Group Companies;
- (iv) the estimated cooperation fees receivable by the Consultant Company with reference to expected demand for Convention & Exhibition Services in respect of C&E Projects amid expected recovery from the effect of the COVID-19 epidemic;
- (v) the estimated operational costs (including labour, venue and material costs) required by Consultant Company to provide Convention & Exhibition Services in respect of C&E Projects; and
- (vi) the prevailing and projected market price for similar services for corporate customers in the open market.

(d) Reasons and Benefits of entering into the 2021 Convention & Exhibition Business Cooperation Framework Agreement

As mentioned in the 2020 annual report of the Company, the Consultant Company is a world-class integrated service provider of high-end exhibition industry actively exploring business diversification, developing new product business system and finding new business power and growth points under the impact of the COVID-19 epidemic. During the term of the Existing Convention & Exhibition Business Cooperation Framework Agreement, the Consultant Company has been engaged by Zhuhai Huafa Group Companies to undertake a number of important global and national exhibitions at Zhuhai International Convention and Exhibition Centre, including the Third “21st Century Maritime Silk Road” China (Guangdong) International Communication Forum, Macao-Zhuhai Entrepreneur Summit 2019, and Zhuhai Design Week 2019 – Beijing Design Week (Zhuhai). During 2021, due to the impact of COVID-epidemic, certain international conventions in Zhuhai were postponed or cancelled. As the economic activities in the PRC and the globe are on the road of recovery from impact of COVID-epidemic, it is expected that the international conventions which are conventionally held in Zhuhai will be held as usual in the following years. As a result of the success in providing event planning services pursuant to the Existing Convention & Exhibition Business Cooperation Framework Agreement, the Company is confident that the Consultant Company is capable of providing the Convention & Exhibition Services to a wider number of Zhuhai Huafa Group Companies. Hence, the Consultant Company decided to enter into the 2021 Convention & Exhibition Business Cooperation Framework Agreement to provide to Zhuhai Huafa the Convention & Exhibition Services for a further term of three years after the expiry of the Existing Convention & Exhibition Business Cooperation Framework Agreement. The Directors (including the independent non-executive Directors but excluding all executive Directors and our non-executive Director, Ms. Zhou Youfen, who abstained from voting) are of the view that the 2021 Convention & Exhibition Business Cooperation Framework Agreement and the proposed annual caps are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

THE 2021 PROCUREMENT COOPERATION FRAMEWORK AGREEMENT

As the Company expects that the Group (including but not limited to Zhuhai Huafa Property Management Group) will require to procure the Products and Services for their general daily administration and business operation needs, the Company and Zhuhai Huafa entered into the 2021 Procurement Cooperation Framework Agreement on 28 December 2021.

(a) Principal terms

The principal terms of the 2021 Procurement Cooperation Framework Agreement are set out below:

Date

28 December 2021

Parties

- (i) The Company
- (ii) Zhuhai Huafa

Term of service

The 2021 Procurement Cooperation Framework Agreement is entered into for a term of three years from 1 January 2022 and ending on 31 December 2024, subject to the fulfilment (or waiver under any circumstances, where applicable) of all conditions precedent set out in the section titled “conditions precedent” below.

Products and Services

Pursuant to the 2021 Procurement Cooperation Framework Agreement, the Group will procure various types of Products and Services from Zhuhai Huafa Group Companies (as defined below):

- (i) products including (i) vehicles for office use and municipal engineering vehicles; (ii) office stationery, learning cards and other products; (iii) plants for office decoration; and (iv) anti-epidemic supplies; and
- (ii) services including (i) leasing of venues for events or office use; (ii) visual identity logo design, printing and production; (iii) human resources services; (iv) information installation and maintenance services such as development, installation, user and maintenance of management platform, service platform and other system services; (v) employee outpatient emergency group medical insurance, and major illness insurance and accident and injury insurance.

Individual procurement agreements

As the 2021 Procurement Cooperation Framework Agreement only sets out the framework of the Products and Services required generally, in respect of the specific products and services to be procured by any member of the Group, a member of the Group shall enter into separate procurement agreements which set out matters such as the scope and standard of products and services, procurement price charging standards, and timeline and payment methods (the “**Individual Procurement Agreements**”) with individual Zhuhai Huafa Group Company for such required Products and Services in accordance with market practice. The scope shall not exceed the scope specified under Products and Services and the aggregate procurement price paid by the Group in respect of all Individual Procurement Agreements per year shall not be higher than the annual cap for the respective years. In the event of conflicts between the terms of the Individual Procurement Agreements and the 2021 Procurement Cooperation Framework Agreement, the terms of the 2021 Procurement Cooperation Framework Agreement shall prevail.

Price Determination

The procurement price for the Products and Services shall be determined after arm’s length negotiations between the Company and Zhuhai Huafa. The procurement price for the procurement of the Products shall be determined with reference to (i) the procurement plan of the Group in accordance with their administrative and business needs, (ii) the contractual amount of Individual Procurement Agreement signed between the individual member of the Group and individual companies of the Zhuhai Huafa Group in the prevailing year taking into consideration inflation, the advancement and replacement of equipment (including vehicles) required for provision of services under the service contracts undertaken or to be undertaken, the type and amount of anti-epidemic supplies required for business and employees, the number, level and position of employees eligible for participation in the self-learning incentive program and the type and amount of stored-value gift cards as rewards of such program, and the same or substantially similar products with comparable order quantities and quality offered by independent third parties.

The procurement price for the procurement of the Services shall be determined based on prevailing market prices and the contractual amount of individual procurement agreements signed between the individual member of the Group and individual companies of the Zhuhai Huafa Group. For the information installation and maintenance service, the procurement price shall be determined with reference to the type of systems and system services required and the same or substantial similar services offered by independent third parties. For the human resources service, apart from making reference to the same or substantial similar services offered by independent third parties, the procurement price of training service shall be determined with reference to the type and period of training required and the number of attendees, while the procurement price of recruitment service shall be determined with reference to the number of mid-level or senior level employees recruited with the recruitment service and a percentage of the annual salary of such employees. For the leasing of venue for events or office use, the procurement price of the lease shall be determined with reference to the size, proximity, location and specification of similar property offered by independent third parties.

Payment

The payment arrangement of the procurement price shall be made with reference to market practice and the payment arrangement of similar transactions between the Group and independent third parties to ensure that the payment arrangement is no less favourable to the Group than those available from independent third parties.

Conditions precedent

The provision of the Products and Services is conditional upon fulfilment or waiver in writing (as the case may be) of the following conditions precedent on or before 31 December 2021:

- (i) the Company not breaching any of the representations and warranties under the 2021 Procurement Cooperation Framework Agreement and such representations and warranties remaining true, accurate and complete in all material respects and not misleading as of the date of the 2021 Procurement Cooperation Framework Agreement and up to 31 December 2021; and
- (ii) all the necessary authorisations, registrations, filings, confirmations, permits, consents and approvals for the transactions contemplated under the 2021 Procurement Cooperation Framework Agreement having been obtained by the Company and Zhuhai Huafa.

If any of the conditions precedent cannot be fulfilled (or relinquished or waived under any circumstances, where applicable) on or before 31 December 2021 (or such other date as agreed in writing between the parties), the 2021 Procurement Cooperation Framework Agreement and the transaction as contemplated thereunder shall be forthwith terminated and be of no effect. As at the date of this announcement, condition precedent (ii) has been fulfilled.

Termination

The Company and Zhuhai Huafa may terminate the 2021 Procurement Cooperation Framework Agreement prior to the expiration of the term by mutual written consent of the Company and Zhuhai Huafa. Upon termination of the 2021 Procurement Cooperation Framework Agreement, the relevant Individual Procurement Agreements shall also terminate automatically.

(b) Transaction amounts

The historical transaction amounts for the Products and Services paid by Zhuhai Huafa Property Management Group under the Existing Procurement Cooperation Framework Agreement are set out below for reference:

	For the year ended 31 December 2020 (RMB millions)	For the nine months ended 30 September 2021 (RMB millions)
Products and Services procured by Zhuhai Huafa Property Management Group	6.24	6.79 <i>(Note)</i>

Note:

Based on the information currently available to the Company's management, the transaction amount for the nine months ended 30 September 2021 is RMB6.79 million, whereas the estimated transaction amount for the year ending 31 December 2021 is RMB10.55 million.

(c) Annual caps and basis of determination

The proposed annual caps for the transactions contemplated under the 2021 Procurement Cooperation Framework Agreement for each of the three years ending 31 December 2022, 2023 and 2024 are as follows:

	For the year ending 31 December 2022 (RMB millions)	For the year ending 31 December 2023 (RMB millions)	For the year ending 31 December 2024 (RMB millions)
Products and Services procured by the Group	19.5	28.0	38.1

In considering the annual caps for the Products and Services transaction amount under the 2021 Procurement Cooperation Framework Agreement, the Directors have considered a number of factors including:

- (i) the historical transaction amounts for the Products and Services under the Existing Procurement Cooperation Framework Agreement;

- (ii) the Group's procurement plans for the Products to satisfy their business and administrative needs taking into account of its existing businesses, progressive growth and expansion of scale of business for the property management business presently planned for the next three years, including (i) in relation to Zhuhai Huafa Property Management Group only, procurement of the Products includes the procurement of additional specified municipal engineering vehicles to satisfy the requirements under an existing service contract undertaken by Huafa MCS for the provision of services in a municipal project in Zhuhai, whereby the procurement of such vehicles which was originally planned for in 2021 based on the original project schedule will be delayed to 2022 based on the latest project schedule, and other potential municipal projects to be undertaken or tendered in the next three years and (ii) in relation to all members of the Group, the following procurement plans for the Products are taken into account, among others, (a) the projected procurement volume of anti-epidemic supplies to satisfy the requirements to undertake anti-epidemic measures; and (b) the projected procurement volume of stored-value gift cards for implementation of self-learning incentive program for employees.
- (iii) the Group's procurement plans for the Services to satisfy their latest business and administrative needs taking into account of its existing businesses, progressive growth and expansion of scale of business for the property management business presently planned for the next three years, including, (a) the procurement of installation, maintenance, user and development services required for new and existing information management and service platforms to accommodate the business needs; (b) the procurement of human resources services including recruitment and training services required to recruit suitable personnel to take up key positions and provide on-job training for mid-level and senior management employees; (c) the procurement of employee medical insurance for anticipated increasing number of employees in light of the business expansion; and (d) the rental and management fees for office premises;
- (iv) buffer required for higher transaction amounts due to inflation; and
- (v) the prevailing and projected market price for similar Products and Services from suppliers in the open market.

(d) Reasons and Benefits of the entering into the 2021 Procurement Cooperation Framework Agreement

Zhuhai Huafa Property Management Group has been purchasing the Products and Services from Zhuhai Huafa Group pursuant to the Existing Procurement Cooperation Framework Agreement. The Company expects that based on the estimated procurement needs of the Group, subsidiaries of the Company (besides Zhuhai Huafa Property Management Group), in particular the Management Company and the Consultant Company, will require to procure the Products and Services for their general and daily business operation and administration needs.

In view of the long term relationship between Zhuhai Huafa Property Management and the Group and the stable supply of the Products and Services by Zhuhai Huafa Group to the Group, the Company intends to continue to purchase the Products and Services from Zhuhai Huafa Group to meet the needs of its general and daily business operation and administration. Accordingly, the Company has entered into the 2021 Procurement Cooperation Framework Agreement in relation to the supply of the Products and Services to extend the supply of the Products and Services by Zhuhai Huafa Group to all members of the Group for a term of three years from 1 January 2022 and ending on 31 December 2024. The Directors (including the independent non-executive Directors but excluding all executive Directors and our non-executive Director, Ms. Zhou Youfen, who abstained from voting) are of the view that the 2021 Procurement Cooperation Framework Agreement and the proposed annual caps are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

INTERNAL CONTROL MEASURES

The Group will adopt internal control procedures and corporate governance measures in relation to the transactions contemplated under the 2021 Framework Agreements:

- (a) as regards to Hotel Consultancy Services:
 - (i) before entering into any Individual Services Agreement, the market research department and the technical support department of the Management Company shall be responsible for obtaining quotations from independent third party service providers for providing such services to the relevant Target Hotel in order to ensure that the terms of the Individual Services Agreements are fair and reasonable and no less favourable to the Company, or no more favourable to Zhuhai Huafa, than those available from independent third parties;
 - (ii) after entering into any Individual Services Agreement, the senior management of the Management Company shall be responsible for monitoring the Individual Services Agreements throughout the terms of the Individual Services Agreements, and reporting to the senior management of the Company every six months on the financial performance of the transactions under the Individual Services Agreements as reviewed by the auditors of the Group;
 - (iii) the senior management of the Management Company shall be responsible for monitoring whether the terms of the Individual Services Agreements as agreed are fair and reasonable and no less favourable to the Company, or no more favourable to Zhuhai Huafa, than those available from independent third parties, and would submit drafts of the Individual Services Agreements to the senior management of the Company for review before entering into any Individual Services Agreement;

- (b) as regards to Convention & Exhibition Services:
- (i) one to three months prior to entering into any Individual Cooperation Agreement, the business department of the Consultant Company shall be responsible for liaising with and obtaining quotation from at least three independent third party service providers for providing such services to the relevant C&E Projects by way of telephone or email in order to ensure that the terms of the Individual Cooperation Agreements are fair and reasonable and no less favourable to the Company, or no more favourable to Zhuhai Huafa, than those available from independent parties;
 - (ii) after entering into any Individual Cooperation Agreement, the senior management of the Consultant Company shall be responsible for monitoring the Individual Cooperation Agreements. The general manager or the deputy general manager of the Consultant Company will review the Individual Cooperation Agreement every three months to ensure the transactions have been carried out in compliance with the terms of such agreement and if there is any non-compliance or potential non-compliance, the responsible personnel will report the matter to the senior management of the Company for consideration who will then find ways to resolve the matter. Further, the general manager or the deputy general manager of the Consultant Company will report to the senior management of the Company every six months on the financial performance of individual C&E Projects after the auditors have reviewed the Individual Cooperation Agreements;
- (c) as regards to the procurement of the Products and Services:
- (i) prior to entering into any Individual Procurement Agreements, the relevant department with procurement functions of the individual member of the Group shall be responsible for obtaining quotations from independent third party service providers to ensure that the terms of the Individual Procurement Agreements are fair and reasonable and no less favourable to individual member of the Group from the independent third parties;
 - (ii) after entering into any Individual Procurement Agreements, the senior management of individual member of the Group shall be responsible for monitoring the Individual Procurement Agreements. The general manager or the deputy general manager of individual member of the Group will review the Individual Procurement Agreements every three months to ensure the transactions have been carried out in compliance with the terms of such agreement and if there is any non-compliance or potential non-compliance, the responsible personnel will report the matter to the senior management of the Company for its consideration in order to find ways to resolve the matter. Further, the general manager or the deputy general manager of individual member of the Group will report to the senior management of the Company every six months on the financial performance of individual agreements after the auditors have reviewed the same;

- (d) as regards to the transactions contemplated under 2021 Framework Agreements:
- (i) the finance department of the Group is responsible for monitoring the fees for respective transactions contemplated under each of the individual agreements under the 2021 Framework Agreements to ensure that they are in accordance with the relevant 2021 Framework Agreements and the annual caps are not exceeded. In addition, the finance department will also conduct overall review on a monthly basis. Where the finance department is aware of any potential non-compliance with the pricing policies or that the annual caps will be exceeded, the finance department will escalate the matter to the senior management of the Company who will co-ordinate at the Group level to take remedial actions and ensure the basis of annual caps are followed and are not exceeded;
 - (ii) the senior management of the Company will review the draft individual agreements under the 2021 Framework Agreements and will escalate the matter to the independent non-executive Directors if the senior management is of the opinion that there is any non-compliance issue. The independent non-executive Directors would further review the draft individual agreements and take appropriate recommendations to ensure that such transactions are conducted within the terms of the 2021 Framework Agreements, on normal commercial terms fair and reasonable and in the interests of the Company and its Shareholders as a whole. After an individual agreement is approved by the board of directors of the Management Company, the Consultant Company or Zhuhai Huafa Property Management (as the case maybe) taking into account the recommendations provided by the independent non-executive Directors (where necessary), the general manager or the deputy general manager of the Management Company, the Consultant Company or Zhuhai Huafa Property Management (as the case maybe) will be responsible for monitoring individual agreements and reviewing and approving any decision required by the operation of the transactions contemplating under the 2021 Framework Agreements; and
 - (iii) the independent non-executive Directors and auditors of the Company will conduct annual review on the transactions contemplated by the 2021 Framework Agreements and provide their view to the Board.

By implementing the above measures, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control and procedures to ensure that any fees to be agreed pursuant to the 2021 Framework Agreements will be on normal commercial terms and no less favourable to the Group than those available from independent third parties.

INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company incorporated in Bermuda. The principal business activities of the Group are the provision of property management services, hotel advisory and exhibition services in the PRC.

Management Company

The Management Company is an indirect wholly-owned subsidiary of the Company, whose scope of business includes, inter alia, hotel, resort and high-end apartment management; hotel management consultancy; business information consultancy (other than financial consultancy); hotel marketing services; leasing; equipment rental; conferences services; reservation services; branding and marketing; business management and vocational training; celebration and event services.

Consultant Company

The Consultant Company is an indirect wholly-owned subsidiary of the Company, whose scope of business includes, inter alia, organizing, hosting domestic and overseas conventions, exhibitions; organizing, arranging and hosting exhibitions, roadshows, conferences; organizing overseas exhibitions; exhibition information release; organizing domestic cultural and art exchange activities; organizing cocktails and press conferences, seminars; undertaking production, design, publication, consulting; marketing and charity event planning and management.

Zhuhai Huafa Property Management

Zhuhai Huafa Property Management has become an indirect wholly-owned subsidiary of the Company since January 2020. Zhuhai Huafa Property Management Group is principally engaged in three main business lines, namely, (i) property management services, which primarily consists of the provision of security, cleaning, greening, gardening and repair and maintenance services, (ii) value-added services to property owners, which mainly include home living services, community retail services and common area value-added services; and (iii) other value-added services, which mainly involves support services for municipal projects, cleaning, greening, repair and maintenance services to property developers at the pre-delivery stage, and consultancy services to property developers for the management of their pre-sale activities.

Zhuhai Huafa

Zhuhai Huafa is a state-owned conglomerate based in Zhuhai and is wholly-owned by the State-owned Asset 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, through its subsidiaries, is principally engaged in four core business sectors of urban operations, real estate development, financial industry, and industrial investment, as well as two comprehensive supplementary businesses commerce and trade services and modern services.

LISTING RULES IMPLICATION

As at the date of this announcement, Zhuhai Huafa is an indirect controlling shareholder of the Company interested in approximately 38.78% of the total issued share capital of the Company, Zhuhai Huafa is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, each of the 2021 Framework Agreements constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since all applicable percentage ratios in respect of each of the 2021 Framework Agreements are more than 0.1% but less than 5%, the transactions contemplated under the 2021 Framework Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

Since all executive Directors and Ms. Zhou Youfen, a non-executive Director, are also directors or senior management members of Zhuhai Huafa and therefore are deemed to have material interests in the 2021 Framework Agreements and the early termination of the Existing Procurement Cooperation Framework Agreement, each of them has abstained from voting on the board resolutions approving the 2021 Framework Agreements, the early termination of the Existing Procurement Cooperation Framework Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“China business day(s)”	any day(s) falling within Monday to Friday inclusive but excluding any statutory holiday for all PRC citizens under PRC law, subject to PRC authority's decision to swap between a working day (i.e. a day falling within Monday to Friday inclusive) and a rest day (i.e. Saturday or Sunday), in which case the authority's decision shall be conclusive
“Company”	Huafa Property Services Group Company Limited (華發物業服務集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 982)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consultancy Hotel”	The St. Regis Zhuhai (珠海瑞吉酒店) located in Zhuhai City, Guangdong Province, PRC
“Consultant Company”	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), a company established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company
“Convention & Exhibition Services”	the services provided by the Consultant Company to Zhuhai Huafa or required by the Consultant Company pursuant to the Existing Convention & Exhibition Business Cooperation Framework Agreement, or the services to be provided by the Consultant Company to Zhuhai Huafa in respect of each of the C&E Projects pursuant to the 2021 Convention & Exhibition Business Cooperation Framework Agreement as more particularly described in this announcement, as the case maybe
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“C&E Projects”	the convention and exhibition projects currently undertaken or proposed to be undertaken by the Zhuhai Huafa Group including but not limited to Macao-Zhuhai Entrepreneur Summit* (澳珠企業家峰會), Zhuhai International Design Week* (珠海國際設計周), The 8th “Create Youth” Guangdong Youth Innovation and Entrepreneurship Competition of Jinwan Cup and the 4th Guangdong-Hong Kong-Macao Greater Bay Area Youth Innovation and Entrepreneurship Competition* (金灣杯第八屆“創青春”廣東青年創新創業大賽 暨第四屆粵港澳大灣區青年創新創業大賽), and 2021-2022 High Tech Zone “Jingniuhui” Innovation and Entrepreneurship Competition* (2021-2022 高新區“菁牛匯”創新創業大賽)
“Director(s)”	the director(s) of the Company
“Existing Convention & Exhibition Business Cooperation Framework Agreement”	the Convention & Exhibition Business Cooperation Framework Agreement dated 18 July 2019 and entered into between the Consultant Company and Zhuhai Huafa
“Existing Hotel Consultancy Services Framework Agreement”	the Hotel Consultancy Services Framework Agreement dated 29 April 2019 and entered into between the Management Company and Zhuhai Huafa

“Existing Procurement Cooperation Framework Agreement”	the Procurement Cooperation Framework Agreement dated 20 December 2019 and entered into between Zhuhai Huafa Property Management and Zhuhai Huafa and, unless otherwise specified, includes the supplements and amendments pursuant to the Supplemental Agreement dated 22 June 2021
“Group”	the Company and its subsidiaries from time to time
“Hotel Consultancy Services”	the services provided by the Management Company pursuant to the Existing Hotel Consultancy Services Framework Agreement, or the services to be provided by the Management Company to Zhuhai Huafa in respect of the Target Hotels pursuant to the 2021 Hotel Consultancy Services Framework Agreement as more particularly described in this announcement, as the case maybe
“Huafa MCS”	Zhuhai Huafa Municipal Comprehensive Services Co., Ltd* (珠海華發市政綜合服務有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of Zhuhai Huafa Property Management, primarily engaging in provision of professional municipal comprehensive services
“Individual Cooperation Agreements”	the separate service agreements between the Consultant Company and individual Zhuhai Huafa Group Company setting out the scope of services, cooperation fee charging standard, timetable and payment methods, etc. in accordance with the specific requirements of each individual C&E Project
“Individual Procurement Agreements”	the separate procurement agreements between any member of the Group and individual Zhuhai Huafa Group Company setting out matters such as the scope and standard of products and services, procurement price charging standards, and timeline and payment methods with individual Zhuhai Huafa Group for such required Products and Services in accordance with market practice
“Individual Services Agreements”	the separate services agreements between the Management Company and Zhuhai Huafa Group Company setting out the scope of services, service fee charging standard, timetable and payment methods, etc. in accordance with the specific requirements of each individual project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Management Company”	Zhuhai Hengqin Xinqu Huajin International Hotel Management Company Limited* (珠海市橫琴新區華金國際酒店管理有限公司), a company established under the laws of PRC, and an indirect wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Products and Services”	various types of products and services procured by Zhuhai Huafa Property Management Group from Zhuhai Huafa Group pursuant to the Existing Procurement Cooperation Framework Agreement, or by the Group from Zhuhai Huafa Group pursuant to the 2021 Procurement Cooperation Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement entered into between Zhuhai Huafa Property Management and Zhuhai Huafa on 22 June 2021 to supplement the Existing Procurement Cooperation Framework Agreement
“Target Hotels”	hotels owned by or invested by or hotels projects under construction and proposed to be constructed by Zhuhai Huafa Group, including but not limited to Zhuhai Marriott Hotel Jinwan hotel project (珠海華發萬豪酒店項目), Courtyard by Marriott Zhuhai hotel project (珠海萬怡酒店項目), Weihai Marriott Hotel project (威海萬豪酒店項目), The Westin Weihai project (威海威斯汀酒店項目), Pullman Suzhou Taicang hotel project (蘇州太倉華發鉑爾曼酒店項目), AHN LUH DONGAO Island hotel project (珠海東澳島安麓酒店項目), Island Hotel (Wanshan Island) project (海島酒店(萬山島)項目), Grand Hyatt Zhuhai Hengqin hotel project (珠海橫琴君悅酒店項目), Holiday Inn Express LinZhi Airport hotel project (林芝華發智選假日酒店項目), etc.
“Zhuhai Huafa”	Zhuhai Huafa Group Co., Ltd.* (珠海華發集團有限公司), a state-owned enterprise wholly-owned by the State-owned Asset Supervision and Administration Commission of Zhuhai Municipal People’s Government and a controlling shareholder of the Company

“Zhuhai Huafa Group”	Zhuhai Huafa and its subsidiaries and associates excluding the Group, and “Zhuhai Huafa Group Company” shall mean any one of them
“Zhuhai Huafa Property Management”	Zhuhai Huafa Property Management Services Co., Ltd.* (珠海華發物業管理服務有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Zhuhai Huafa Property Management Group”	Zhuhai Huafa Property Management and its subsidiaries from time to time
“2021 Convention & Exhibition Business Cooperation Framework Agreement”	the Convention & Exhibition Business Cooperation Framework Agreement dated 28 December 2021 and entered into between the Consultant Company and Zhuhai Huafa
“2021 Framework Agreements”	the 2021 Hotel Consultancy Services Framework Agreement, the 2021 Convention & Exhibition Business Cooperation Framework Agreement and the 2021 Procurement Cooperation Framework Agreement
“2021 Hotel Consultancy Services Framework Agreement”	the Hotel Consultancy Services Framework Agreement dated 28 December 2021 and entered into between the Management Company and Zhuhai Huafa
“2021 Procurement Cooperation Framework Agreement”	the Procurement Cooperation Framework Agreement dated 28 December 2021 and entered into between the Company and Zhuhai Huafa

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

Hong Kong, 28 December 2021

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

* *For identification purpose only*