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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)**

**CONNECTED TRANSACTION**  
**FOOD AND BEVERAGE SUPPLY AGREEMENT**

**FOOD AND BEVERAGE SUPPLY AGREEMENT**

On 29 April 2022 (after trading hours), F&B Management Company, an indirect wholly-owned subsidiary of the Company, entered into the Food and Beverage Supply Agreement with West Coastal Apartment Management Company, pursuant to which F&B Management Company agreed to supply to West Coastal Apartment Management Company fruit boxes for an aggregated consideration of approximately RMB812,000 (inclusive of packing and delivery charges but exclusive of tax) (equivalent to approximately HKD990,000) for a term of one year from the date of the Food and Beverage Supply Agreement.

**LISTING RULES IMPLICATIONS**

During the 12-month period prior to entering into the Food and Beverage Supply Agreement, F&B Management Company was engaged by certain members of Zhuhai Huafa Group to manage and operate three staff canteens and to provide food and beverage services pursuant to the Previous Arrangements. Upon F&B Management Company entering into the Food and Beverage Supply Agreement, the service fees receivable by F&B Management Company when aggregated with the service fees received or receivable under the Previous Arrangements during the 12-month period, will be in excess of HKD3,000,000.

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, and thus a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As each of the customers under the Previous Arrangements and West Coastal Apartment Management Company is a subsidiary of Zhuhai Huafa, each of them is a connected person of the Company pursuant to Chapter 14A of the Listing Rules and all transactions contemplated by each of the Previous Arrangements and the Food and Beverage Supply Agreement constitute connected transactions of the Company.

Each of Previous Arrangements and the Food and Beverage Supply Agreement respectively constitutes a connected transaction of the Company and is fully exempt from reporting, announcement, circular (including independent financial advice) and Shareholders' approval requirements. However, as the Previous Arrangements and the Food and Beverage Supply Agreement have been entered into by the Group with members of Zhuhai Huafa Group within a 12-month period and are of similar nature, i.e. in relation to provision of food and beverage management and operation services and supply of food and beverage products and services, the transactions contemplated thereunder shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. Since the transactions contemplated under the Previous Arrangements and the Food and Beverage Supply Agreement, on aggregated basis, exceed the de minimis threshold of HKD3,000,000, but all applicable percentage ratios calculated in accordance with Chapter 14A of the Listing Rules are less than 5%, the entering into of the Food and Beverage Supply Agreement is subject to the reporting and announcements requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## **FOOD AND BEVERAGE SUPPLY AGREEMENT**

### **Date**

29 April 2022 (after trading hours)

### **Parties**

- (a) F&B Management Company
- (b) West Coastal Apartment Management Company

### **Service to be provided**

F&B Management Company agreed to supply and deliver to West Coastal Apartment Management Company 36,500 fruit boxes within one year from the date of the Food and Beverage Supply Agreement.

### **Service Fee**

Pursuant to the Food and Beverage Supply Agreement, F&B Management Company agreed to supply and deliver to West Coastal Apartment Management Company fruit boxes for an aggregated consideration of approximately RMB812,000 (inclusive of packing and delivery charges but exclusive of tax) (equivalent to approximately HKD990,000) for a term of one year from the date of the Food and Beverage Supply Agreement. Payment shall be made to F&B Management Company monthly in arrears according to the quantities of fruit boxes delivered for the previous month.

The F&B Management Company was engaged as service provider under the Food and Beverage Supply Agreement through tender process of West Coastal Apartment Management Company in accordance with its usual tender procedures. The F&B Management Company submitted the tender documents based on the prevailing market prices for products and services of similar scale, standard, quality and requirements under the Food and Beverage Supply Agreement, plus a fair and reasonable margin. Comparison was also made with the quotations received from two suppliers based on the applicable tender requirements to ensure that the price and terms offered to West Coastal Apartment Management Company are on terms no more favourable than terms offered to independent parties.

### **Termination**

Neither party shall have the right to terminate the Food and Beverage Supply Agreement.

### **Previous Arrangements**

During the 12-month period prior to entering into the Food and Beverage Supply Agreement, F&B Management Company was engaged by certain members of Zhuhai Huafa Group to manage and operate three staff canteens and to provide food and beverage catering services pursuant to the Previous Arrangements.

The F&B Management Company was engaged as service provider for three staff canteens under the Previous Arrangements through tender process of the relevant members of Zhuhai Huafa Group in accordance with their usual tender procedures. In considering whether submitting the tender for managing and operating each staff canteen, the F&B Management Company took into account, among other things, the following: (a) scope of services and other requirements of the relevant tender, such as the size and location of the canteen and number of dining sessions offered, (b) estimated cost and value of the meals to be served, and (c) estimated profitability of the contract. The prices and terms submitted by the F&B Management Company in the tenders under the Previous Arrangements were subject to the Company's standard and systematic internal pricing mechanism, which applies to tender submissions to both the Company's connected persons and independent third parties, in order to ensure that the prices and terms offered to members of Zhuhai Huafa Group are no more favourable than those offered to independent third parties.

The service fees under the Previous Arrangements comprise (i) fixed management fees for the term of the managing and operating the staff canteen under the relevant individual agreement and (ii) variable food and beverage fees charged against the relevant member of Zhuhai Huafa Group for the meals supplied during the provision of food and beverages catering services at the staff canteen. The aggregated consideration for the Previous Arrangements during the 12-month period prior to entering into the Food and Beverage Supply Agreement was RMB1,942,100 (exclusive of tax) (equivalent to approximately HKD2,369,300).

Upon F&B Management Company entering into the Food and Beverage Supply Agreement, the service fees receivable by F&B Management Company when aggregated with the service fees received or receivable under the Previous Arrangements during the 12-month period, will be in excess of HKD3,000,000.

## **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.

### **F&B Management Company**

F&B Management Company is a company established under the laws of the PRC and is an indirect wholly-owned subsidiary of the Company, whose scope of business includes, inter alia, food and beverage services, food manufacturing, cafeteria management, food and beverage operation and management, sales of food, takeaway delivery services and food and beverage catering services.

### **Information on Zhuhai Huafa and the customers under the Previous Arrangements**

West Coastal Apartment Management Company is a company established under the laws of the PRC, and an indirect subsidiary of Zhuhai Huafa. West Coastal Apartment Management Company's scope of business includes, inter alia, accommodation services, food and beverage services and hotel management. West Coastal Apartment Management Company provides accommodation and food and beverage services for designated hotels for quarantine appointed by the Zhuhai local government.

Zhuhai Huafa is a state-owned conglomerate based in Zhuhai and is 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) and Department of Finance of Guangdong Province (廣東省財政廳) as to 92.13% and 7.87%, respectively. 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.

Zhuhai Huafa is an indirect controlling shareholder of the Company interested in approximately 38.78% of the total issued share capital of the Company, therefore, West Coastal Apartment Management Company and the customers under the Previous Arrangements, being indirect subsidiaries of Zhuhai Huafa, are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules.

## **REASONS FOR ENTERING INTO THE FOOD AND BEVERAGE SUPPLY AGREEMENT AND THE PREVIOUS ARRANGEMENTS**

Since the acquisition of the Group's property management subsidiaries, including Zhuhai Huafa Property Management Services Co., Ltd.\* (珠海華發物業管理服務有限公司) in January 2020, the Group has developed its business based on the strategy of "One Core, Two Wings" with property management services as the core and hotel advisory and exhibition services as the synergy. The Company has been enhancing the scale and competitiveness of its core business while seeking to diversify the business of the Group and exploring new business opportunities. As part of the provision of property management services of the Group, the Group has gained some experience in providing community services to property owners including delivering of food and

beverages to property owners at their request as value-added services to property owners. With some prior experience gained from the provision of the food and beverage services ancillary to the Group's core businesses, the Group believes that it may further diversify its business and enhance its core value by tapping into the food and beverage supply services. Therefore, the Group entered into the Food and Beverage Supply Agreement based on the Previous Arrangements to provide food and beverage services when such business opportunities arise.

## **LISTING RULES IMPLICATIONS**

During the 12-month period prior to entering into the Food and Beverage Supply Agreement, F&B Management Company was engaged by certain members of Zhuhai Huafa Group to manage and operate three staff canteens and to provide food and beverage services pursuant to the Previous Arrangements. Upon F&B Management Company entering into the Food and Beverage Supply Agreement, the service fees receivable by F&B Management Company when aggregated with the service fees received or receivable under the Previous Arrangements during the 12-month period, will be in excess of HKD3,000,000.

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, and thus a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As each of the customers under the Previous Arrangements and West Coastal Apartment Management Company is a subsidiary of Zhuhai Huafa, each of them is a connected person of the Company pursuant to Chapter 14A of the Listing Rules and all transactions contemplated by each of the Previous Arrangements and the Food and Beverage Supply Agreement constitute connected transactions of the Company.

Each of Previous Arrangements and the Food and Beverage Supply Agreement respectively constitutes a connected transaction of the Company and is fully exempt from reporting, announcement, circular (including independent financial advice) and Shareholders' approval requirements. However, as the Previous Arrangements and the Food and Beverage Supply Agreement have been entered into by the Group with members of Zhuhai Huafa Group within a 12-month period and are of similar nature, i.e. in relation to provision of food and beverage management and operation services and supply of food and beverage products and services, the transactions contemplated thereunder shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. Since the transactions contemplated under the Previous Arrangements and the Food and Beverage Supply Agreement, on aggregated basis, exceed the de minimis threshold of HKD3,000,000, but all applicable percentage ratios calculated in accordance with Chapter 14A of the Listing Rules are less than 5%, the entering into of the Food and Beverage Supply Agreement is subject to the reporting and announcements requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

The Directors (including the independent non-executive Directors but excluding all executive Directors and the non-executive Director, Ms. Zhou Youfen, who abstained from voting) are of the view that the terms of the Food and Beverage Supply Agreement and the individual agreement of each of the Previous Arrangements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## GENERAL INFORMATION

Since all executive Directors and Ms. Zhou Youfen, a non-executive Director, are also directors or senior management members of Zhuhai Huafa or its subsidiaries and therefore are deemed to have material interests in Food and Beverage Supply Agreement and the Previous Arrangements, each of them has abstained from voting on the Board resolutions approving the Food and Beverage Supply Agreement and the Previous Arrangements and the transactions contemplated thereunder. Other than those Directors mentioned above, none of the other Directors has or is deemed to have a material interest in the transactions under the Food and Beverage Supply Agreement and the Previous Arrangements.

## 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
“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
“Directors”	the directors of the Company
“Food and Beverage Supply Agreement”	the Food and Beverage Supply Agreement dated 29 April 2022 and entered into between F&B Management Company and West Coastal Apartment Management Company for the supply and delivery of fruit boxes for a term of one year from the date of the Food and Beverage Supply Agreement
“F&B Management Company”	Zhuhai Huafa Food and Beverage Management Services Company Limited* (珠海華發餐飲管理服務有限公司), a company established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China



“Previous Arrangements”	previous arrangements between F&B Management Company as service provider with certain members of Zhuhai Huafa Group prior to entering into the Food and Beverage Supply Agreement, for the provision of managing and operation services for three staff canteens and the provision of food and beverage catering services at the canteens
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“West Coastal Apartment Management Company”	Zhuhai West Coastal Apartment Management Company Limited* (珠海西海岸公寓管理有限公司), a company established under the laws of the PRC, and an indirect subsidiary of Zhuhai Huafa and the customer under the Food and Beverage Supply Agreement
“Zhuhai Huafa”	Zhuhai Huafa Group Company Limited (珠海華發集團有限公司), a state-owned enterprise 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) and Department of Finance of Guangdong (廣東省財政廳) as to 92.13% and 7.87%, respectively, and a controlling shareholder of the Company
“Zhuhai Huafa Group”	Zhuhai Huafa and its subsidiaries and associates excluding the Group

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HKD at the rate of RMB1.00 to HKD1.22. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Hong Kong, 29 April 2022

*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. Liang Liang and Mr. Gu Yuanping (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