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Huajin Investment Company Limited

(Incorporated in Samoa with limited liability)

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)

JOINT ANNOUNCEMENT

- (1) PROPOSED PRIVATISATION OF
HUAFA PROPERTY SERVICES GROUP COMPANY LIMITED
BY HUAJIN INVESTMENT COMPANY LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 99 OF THE COMPANIES ACT;
(2) PROPOSED WITHDRAWAL OF LISTING OF
HUAFA PROPERTY SERVICES GROUP COMPANY LIMITED;
(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;
AND
(4) RESUMPTION OF THE TRADING IN THE SHARES OF
HUAFA PROPERTY SERVICES GROUP COMPANY LIMITED**

Financial adviser to the Offeror



國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Guotai Junan Capital Limited

INTRODUCTION

On 14 May 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act.

The Shares in which the Offeror and Guang Jie are interested will not form part of the Scheme Shares and will not be cancelled. Upon the Scheme becoming effective and completion of the Proposal, the Company will be owned as to approximately 96.20% by the Offeror and 3.80% by Guang Jie, which is the direct holding company of the Offeror, respectively, and the listing of the Shares will be withdrawn from the Stock Exchange.

TERMS OF THE PROPOSAL

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled..... HK\$0.29 in cash

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. As at the date of this joint announcement, (i) the Company has not declared any dividend which remains unpaid; and (ii) the Company has no intention to declare any dividend or other distribution on or before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

CONDITIONS TO THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all Shareholders subject to the satisfaction or waiver (where applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by not less than three-fourths of the votes attaching to the Disinterested Scheme Shares that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme is not more than 10% of the votes attaching to all the Disinterested Scheme Shares;

- (c) the passing by the Shareholders at the SGM of (i) a special resolution to approve any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares; and (ii) an ordinary resolution to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares;
- (d) the sanction of the Scheme (with or without modification) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (e) compliance, to the extent necessary, with the applicable requirements of section 46(2) of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, the PRC, Hong Kong and any other relevant jurisdictions;
- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, which are material in the context of the Group (taken as a whole), in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;
- (i) all necessary consents in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained or waived by the relevant party(ies) and remaining in effect (if applicable);
- (j) since the Announcement Date, there having been no material adverse change to the business, assets, financial or trading position or the prospects or conditions (whether operational, legal or otherwise) of the Group, each taken as a whole; and

- (k) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange, to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

The Conditions in paragraphs (a) to (e) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (f) to (k), to the extent permissible by the relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in part, either generally or in respect of any particular matter.

CONFIRMATION OF FINANCIAL RESOURCES

Assuming that no new Shares will be issued up to the Record Date, the Proposal will involve making an offer to cancel 5,778,615,040 Scheme Shares in exchange for the Cancellation Price of HK\$0.29 per Scheme Share, with the maximum cash consideration payable by the Offeror under the Proposal being approximately HK\$1,675,798,000.

The Offeror proposes to finance the cash consideration payable under the Proposal in full by its internal cash resources.

Guotai Junan Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration payable under the Proposal.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board has established the Independent Board Committee, comprising Dr. Chen Jieping, Mr. Pu Yonghao and Mr. Guo Shihai, each being an independent non-executive Director, to make a recommendation to the Disinterested Shareholders as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) whether to vote in favour of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the SGM.

The Company will appoint the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) voting by the Disinterested Shareholders at the Court Meeting and at the SGM. A further announcement will be made after the Independent Financial Adviser has been appointed.

DESPATCH OF SCHEME DOCUMENT

A Scheme Document containing, among other things: (a) further details of the Proposal and the Scheme; (b) the expected timetable in relation to the Proposal and the Scheme; (c) an explanatory memorandum as required under the Companies Act; (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Proposal and the Scheme; (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme; and (f) notices of the Court Meeting and the SGM, together with proxy forms in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules immediately following the Scheme becoming effective.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code (including Note 2 to Rule 30.1), the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or waived (where applicable) on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 16 May 2024 pending the release of this joint announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 28 May 2024.

WARNINGS

Shareholders and potential investors should be aware that the Proposal and the Scheme are subject to the Conditions being satisfied or waived (where applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not be effective. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Shareholders will be contained in the Scheme Document.

NOTICE TO U.S. INVESTORS

The Proposal and the Scheme relate to the cancellation of the securities of a Bermuda company by means of a scheme of arrangement provided for under the laws of Bermuda. The Proposal and the Scheme are subject to Hong Kong disclosure and other procedural requirements, which are different from those of the U.S..

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Proposal and the Scheme are subject to the disclosure and other procedural requirements and practices applicable in Bermuda and Hong Kong to schemes of arrangement which differ from those applicable under the U.S. federal securities laws.

The receipt of cash pursuant to the Proposal or the Scheme by a U.S. holder of Scheme Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.

It may be difficult for U.S. holders of Scheme Shares to enforce their rights and any claim arising out of the U.S. federal securities laws in connection with the Proposal and the Scheme, since the Offeror and the Company are located in a country outside the U.S., and some or all of their respective officers and directors may be residents of a country other than the U.S.. U.S. holders of Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

The financial information included in this joint announcement has been prepared in accordance with accounting standards applicable in Hong Kong and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the U.S. The generally accepted accounting principles in the U.S. differ in certain significant respects from accounting standards applicable in Hong Kong. None of the financial information in this joint announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

None of the Proposal, the Scheme nor this joint announcement have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities approved or disapproved or passed judgement upon the fairness or the merits of the Proposal or the Scheme, or determined if the information contained in this joint announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the U.S.

INTRODUCTION

On 14 May 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act, involving among other things, (i) the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share cancelled and (ii) the withdrawal of listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, all Scheme Shares will be cancelled on the Effective Date. Contemporaneously with the cancellation of the Scheme Shares, the share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

The Shares in which the Offeror and Guang Jie, being the direct holding company of the Offeror, are interested will not form part of the Scheme Shares and will not be cancelled. Upon the Scheme becoming effective and completion of the Proposal, the Company will be owned as to approximately 96.20% by the Offeror and 3.80% by Guang Jie respectively, and the listing of the Shares will be withdrawn from the Stock Exchange.

TERMS OF THE PROPOSAL

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled..... HK\$0.29 in cash

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. As at the date of this joint announcement, (i) the Company has not declared any dividend which remains unpaid; and (ii) the Company has no intention to declare any dividend or other distribution on or before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

The Cancellation Price of HK\$0.29 represents:

- (a) a premium of approximately 30.63% over the closing price of HK\$0.222 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 36.79% over the average closing price of approximately HK\$0.212 per Share as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 40.10% over the average closing price of approximately HK\$0.207 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 70.59% over the average closing price of approximately HK\$0.170 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day; and
- (e) a premium of approximately 970.11% over the audited consolidated net asset value attributable to Shareholders per Share of approximately RMB0.0247 (equivalent to approximately HK\$0.0271) as at 31 December 2023.

The Offeror has appointed the financial adviser in relation to the Proposal to conduct feasibility study on the Proposal for its internal reference, and has discussed internally and reviewed the relevant information including pricing methods. The Cancellation Price has been determined on an arm's length commercial basis after taking into account the financial information of the Group, the historical prices of the Shares traded on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

Highest and Lowest prices

During the six-month period ended on and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.222 on 13 May 2024 and 14 May 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.138 on 17, 18, 22 and 23 January 2024 and 20 and 21 February 2024.

CONDITIONS TO THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all Shareholders subject to the satisfaction or waiver (where applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by not less than three-fourths of the votes attaching to the Disinterested Scheme Shares that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme is not more than 10% of the votes attaching to all the Disinterested Scheme Shares;
- (c) the passing by the Shareholders at the SGM of (i) a special resolution to approve any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares; and (ii) an ordinary resolution to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares;
- (d) the sanction of the Scheme (with or without modification) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (e) compliance, to the extent necessary, with the applicable requirements of section 46(2) of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, the PRC, Hong Kong and any other relevant jurisdictions;
- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, which are material in the context of the Group (taken as a whole), in each aforesaid case up to and at the time when the Scheme becomes effective;

- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;
- (i) all necessary consents in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained or waived by the relevant party(ies) and remaining in effect (if applicable);
- (j) since the Announcement Date, there having been no material adverse change to the business, assets, financial or trading position or the prospects or conditions (whether operational, legal or otherwise) of the Group, each taken as a whole; and
- (k) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange, to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

The Conditions in paragraphs (a) to (e) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (f) to (k), to the extent permissible by the relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in part, either generally or in respect of any particular matter.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the Conditions must be satisfied or waived (where applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

With reference to the Conditions in paragraphs (f) and (g), as at the Announcement Date, each of the Offeror and the Company is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (e).

With reference to the Condition in paragraph (h), as at the Announcement Date, each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order.

With reference to the Condition in paragraph (i), as at the Announcement Date, each of the Offeror and the Company is not aware of any such consents required.

If the Conditions are satisfied or waived (as applicable) on or before the Long Stop Date, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM. As at the Announcement Date, none of the Conditions have been fulfilled or waived (as the case may be).

WARNINGS: Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being satisfied or waived (where applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

CONFIRMATION OF FINANCIAL RESOURCES

As at the Announcement Date, there are 5,778,615,040 Scheme Shares in issue.

Assuming that no new Shares will be issued up to the Record Date, the Proposal will involve making an offer to cancel 5,778,615,040 Scheme Shares in exchange for the Cancellation Price of HK\$0.29 per Scheme Share, with the maximum cash consideration payable by the Offeror under the Proposal being approximately HK\$1,675,798,000.

The Offeror proposes to finance the cash consideration payable under the Proposal in full by its internal cash resources.

Guotai Junan Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration payable under the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date, the authorised share capital of the Company is HK\$3,000,000 divided into 12,000,000,000 Shares and the issued share capital of the Company is HK\$2,515,230 divided into 10,060,920,000 Shares. There are no other classes of shares of the Company in issue.

Shareholding Structure of the Company as at the Announcement Date and immediately upon completion of the Proposal

The table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon the completion of the Proposal, assuming that there will be no change in the shareholding structure of the Company before completion of the Proposal:

	As at the Announcement Date		Immediately upon completion of the Proposal	
	Number of Shares	Approximately % of total issued	Number of Shares	Approximately % of total issued
		Shares		Shares
Offeror and the Offeror Concert Party(ies)				
Offeror ⁽¹⁾	3,899,990,000	38.76%	9,678,605,040	96.20%
Guang Jie ⁽¹⁾	382,314,960	3.80%	382,314,960	3.80%
Guotai Junan Group ^{(2), (4)}	6,100,000	0.06%	–	–
Ms. Chen Yin ^{(3), (4)}	1,000,000	0.01%	–	–
Sub-total	4,289,404,960	42.63%	10,060,920,000	100%
Disinterested Shareholders	5,771,515,040	57.37%	–	–
Total number of Scheme Shares⁽⁴⁾	5,778,615,040	57.44%	–	–
Total number of Shares	<u>10,060,920,000</u>	<u>100%</u>	<u>10,060,920,000</u>	<u>100%</u>

Notes:

- Guang Jie directly wholly owns the Offeror, and is therefore an Offeror Concert Party. The Shares held by the Offeror and Guang Jie will not form part of the Scheme Shares and will not be cancelled upon completion of the Proposal.

Guang Jie is wholly owned by Huafa Properties, which is a non-wholly owned subsidiary of Zhuhai Huafa. For further details, please refer to the section headed “Information on the Offeror”.

- As at the date of this joint announcement, Guotai Junan Investments (Hong Kong) Limited, being a subsidiary of Guotai Junan Securities Co. Ltd. and thus a member of Guotai Junan Group and therefore an Offeror Concert Party, holds 6,100,000 Shares. Guotai Junan Capital is the financial adviser to the Offeror in connection with the Proposal. Accordingly, Guotai Junan Capital and relevant members of the Guotai Junan Group which hold Shares are presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of “acting in concert” in the Takeovers Code. The 6,100,000 Shares held by members of Guotai Junan Group excludes Shares held by other parts of the Guotai Junan Group on behalf of non-discretionary investment clients.
- Ms. Chen Yin is a director of Huafa Properties, an indirect holding company of the Offeror, and is presumed to be acting in concert with the Offeror in accordance with class (2) of the definition of “acting in concert” in the Takeovers Code and therefore an Offeror Concert Party. As at the date of this announcement, Ms. Chen Yin directly holds 1,000,000 Shares.
- The Shares held by Guotai Junan Group and Ms. Chen Yin will form part of the Scheme Shares and will be cancelled upon completion of the Proposal.

5. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

VOTING AT THE COURT MEETING AND SGM

All Scheme Shareholders as at the Meeting Record Date will be entitled to attend and vote at the Court Meeting to approve the Scheme, provided that only the votes of the Disinterested Shareholders will be taken into account in determining whether Condition (b) under the section headed “Conditions to the Proposal and the Scheme” and Rule 2.10 of the Takeovers Code are satisfied.

As at the Announcement Date, the Offeror and Guang Jie held 3,899,990,000 and 382,314,960 Shares, representing approximately 38.76% and 3.80% of the total issued Shares, respectively. As the Offeror and Guang Jie are not Scheme Shareholders, the Offeror and Guang Jie will not be entitled to vote on the Scheme at the Court Meeting.

All Shareholders as at the Meeting Record Date will be entitled to attend the SGM and vote on (a) the special resolution to: approve any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares; and (b) an ordinary resolution to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Shares.

INFORMATION ON THE GROUP

The Company is a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 982). The Group is principally engaged in property management services, hotel advisory and exhibition services.

Based on the published audited consolidated financial statements of the Company, the table below sets out the financial information of the Group for the three financial years ended 31 December 2023:

	For the financial years ended 31 December		
	2023	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Revenue	1,775,742	1,599,056	1,283,491
Profit before tax	349,154	288,864	217,414
Profit for the year	250,261	194,472	156,266
Net assets/(liabilities)	247,995	6,082	(126,309)

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Samoa with limited liability, which is principally engaged in investment holding and is directly wholly owned by Guang Jie, which is in turn indirectly wholly owned by Huafa Properties. As at the Announcement Date, the Offeror and Guang Jie directly hold 3,899,990,000 and 382,314,960 Shares, representing approximately 38.76% and 3.80% of the total issued Shares, respectively.

Huafa Properties is a company established in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 600325) and principally engaged in property development. Huafa Properties is a non-wholly owned subsidiary of Zhuhai Huafa, a state-owned enterprise directly regulated by Zhuhai State-owned Asset Supervision and Administration Commission with its business operations primarily conducted in Zhuhai, Guangdong Province. Zhuhai Huafa, through its subsidiaries, is principally engaged in six major business segments, namely, urban operations, real estate development, financial investment, technology industry, commerce and trade services and modern services.

INTENTION OF THE OFFEROR ON THE COMPANY

As at the Announcement Date, the Offeror intends for the Group to continue carrying on its existing businesses following the implementation of the Proposal and does not have any plan to make any material changes to the continued employment of the employees of the Group (other than in the ordinary course of business of the Group). The Offeror will conduct a strategic review of the Group's assets, corporate structure, capitalisation, operations, properties, policies and management to determine if any changes would be appropriate and desirable following the implementation of the Proposal with a view to optimising the Group's activities and development, and may make any changes as the Offeror deems necessary, appropriate or beneficial for the Group in light of its review of the Group or any future development.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee shall comprise all the non-executive Directors of the Company who have no direct or indirect interest in the Proposal.

The Board has established the Independent Board Committee, comprising Dr. Chen Jieping, Mr. Pu Yonghao and Mr. Guo Shihai, each being an independent non-executive Director, to make a recommendation to the Disinterested Shareholders as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) whether to vote in favour of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the SGM.

The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser to the Independent Board Committee) believe that the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

As Zhuhai Huafa is an indirect controlling shareholder of the Offeror, Mr. Zhou Wenbin, Mr. Li Guangning, Mr. Xie Wei, Mr. Dai Geying, Ms. Luo Bin and Mr. Gu Yuanping have abstained from voting on the board resolutions of the Company in connection with the Proposal and the Scheme because of having a material interest as a director of, or due to his/her position as a senior manager of, certain companies within the Zhuhai Huafa Group (other than the Group) (as the case may be).

The Company will appoint the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) voting by the Disinterested Shareholders at the Court Meeting and at the SGM. A further announcement will be made after the Independent Financial Adviser has been appointed.

REASONS AND BENEFITS OF THE PROPOSAL

For Scheme Shareholders

An opportunity to realise their investment at an attractive premium

The Proposal is intended to provide Scheme Shareholders with an opportunity to realise their investment in the Company for cash at an attractive premium over the prevailing share price. The Cancellation Price of HK\$0.29 per Scheme Share represents a premium ranging from approximately 30.63% to approximately 70.59 % over the average closing price per Share as quoted on the Stock Exchange for the periods as mentioned under the section headed “Terms of the Proposal”, and a premium of 970.11% over the audited consolidated net asset value attributable to Shareholders per Share as at 31 December 2023.

The trading liquidity of the Shares has been at a relatively low level over a prolonged period in recent years. The average daily trading volume of Shares for the six-month period, 12-month period and 24-month period up to and including the Last Trading Day were approximately 5,995,537 Shares, 4,243,516 Shares and 3,541,433 Shares per trading day, representing only approximately 0.06%, 0.04% and 0.04% respectively of the total number of issued Shares as at the Announcement Date.

The low trading liquidity of the Shares could make it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. As such, the Scheme presents an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Scheme into other investment opportunities.

For the Offeror and the Company

Limited usage of the listing platform

The Company has not conducted any equity fund raising activities since 2017, being the primary benefit of having a listing status, due to the relatively low liquidity in the trading of the Shares as aforesaid and the downward trend of the trading price of the Shares in the past years. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future.

Reducing cost and expenses of maintaining the Company's listing status while enabling the Offeror to run the business of the Group in a more efficient and effective way

The Proposal, which entails the delisting of the Company, is expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements. It could also provide more flexibilities to the Group to achieve long-term commercial development free from share price fluctuations and additional costs and expenses that may arise from the Company being a publicly listed company.

Taking into account the above reasons and factors, the Board has decided to put forward the Proposal to the Scheme Shareholders for their consideration. The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

WITHDRAWAL OF LISTING

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules immediately following the Scheme becoming effective.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document, which will also contain, amongst others, further details of the Scheme.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code (including Note 2 to Rule 30.1), the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or waived (where applicable) on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

GENERAL MATTERS RELATING TO THE PROPOSAL

Overseas Holders of the Scheme Share

The availability of the Proposal to persons who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which they are located or resident or which they are citizens. Such Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements in their respective jurisdictions and, where necessary, seek their own legal advice. Further information in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal and/or the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due in any relevant jurisdiction.

Any approval or acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or the Shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Taxation Advice

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company and Guotai Junan Capital or any of their respective ultimate beneficial owners, directors, officers, employees, agents and associates and any other person involved in the Proposal or the Scheme accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of the Proposal or the Scheme.

Costs of the Scheme

If either the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal or the Scheme, and the Scheme is not approved, all costs and expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

Other Arrangements

As at the Announcement Date:

- (a) save for the Shares, the Company does not have any outstanding options, warrants, derivatives or convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue;
- (b) save as disclosed in the section headed “Shareholding Structure of the Company” above, neither the Offeror nor any Offeror Concert Party owns, controls or has direction over any Shares;
- (c) save for the series of acquisitions of an aggregate of 189,240,000 Shares, representing approximately 1.88% of the issued Shares, by the Offeror during the period from 30 April 2024 to 14 May 2024 on the open market, details of which are set out below, none of the Offeror nor any Offeror Concert Party has had any dealings for value in the Shares during the period commencing six months prior to the Announcement Date:

Date	Purchase price per Share (HK\$)	Number of Shares purchased	Approximate % of total issued Shares
30 April 2024	0.179	3,540,000	0.0352%
	0.182	920,000	0.0091%
	0.183	500,000	0.0050%
	0.184	40,000	0.0004%
2 May 2024	0.197	520,000	0.0052%
	0.198	600,000	0.0060%
	0.199	1,000,000	0.0099%
3 May 2024	0.2	2,880,000	0.0286%
	0.199	2,100,000	0.0209%
	0.2	4,900,000	0.0487%
	0.201	1,560,000	0.0155%
	0.202	1,380,000	0.0137%
	0.203	920,000	0.0091%
7 May 2024	0.204	2,140,000	0.0213%
	0.198	2,000,000	0.0199%
	0.199	11,000,000	0.1093%
	0.2	14,000,000	0.1392%
	0.201	9,000,000	0.0895%
	0.203	1,000,000	0.0099%
	0.205	420,000	0.0042%
	0.206	80,000	0.0008%
	0.208	220,000	0.0022%
0.209	200,000	0.0020%	
	0.21	80,000	0.0008%

Date	Purchase price per Share (HK\$)	Number of Shares purchased	Approximate % of total issued Shares
8 May 2024	0.199	6,040,000	0.0600%
	0.2	14,000,000	0.1392%
9 May 2024	0.201	5,000,000	0.0497%
	0.2	2,000,000	0.0199%
	0.201	6,000,000	0.0596%
10 May 2024	0.21	6,200,000	0.0616%
13 May 2024	0.216	700,000	0.0070%
	0.217	400,000	0.0040%
	0.218	6,080,000	0.0604%
	0.219	25,320,000	0.2517%
	0.22	4,900,000	0.0487%
14 May 2024	0.223	10,520,000	0.1046%
	0.224	1,240,000	0.0123%
	0.225	39,840,000	0.3960%
	Total	189,240,000	1.88%

- (d) save for the swap arrangements in respect of 6,100,000 Shares, representing approximately 0.06% of the issued Shares, entered into by Guotai Junan Investments (Hong Kong) Limited (a company under the same control as Guotai Junan Capital) for back-to-back hedging of the total return swap entered into within Guotai Junan Group, neither the Offeror nor any of the Offeror Concert Party hold any options, warrants or securities convertible into Shares or other relevant securities in respect of securities in the Company or has entered into any outstanding derivative in respect of the equity securities in the Company;
- (e) none of the Offeror nor any Offeror Concert Party has borrowed or lent any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) no irrevocable commitment to vote for or against the Scheme has been received by the Offeror or the Offeror Concert Parties;
- (g) save for the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders in connection with the Proposal or the Scheme;
- (h) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Offeror between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal;
- (i) there is no agreement or arrangement to which the Offeror or any Offeror Concert Party is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal or the Scheme; and

- (j) there is no understanding, arrangement or agreement or special deal (within the ambit of Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (a) the Offeror or the Offeror Concert Parties; or (b) the Company or the Company's subsidiaries or associated companies.

Despatch Of Scheme Document

A Scheme Document containing, among other things: (a) further details of the Proposal and the Scheme; (b) the expected timetable in relation to the Proposal and the Scheme; (c) an explanatory memorandum as required under the Companies Act; (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Proposal and the Scheme; (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme; and (f) notices of the Court Meeting and the SGM, together with proxy forms in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders or Shareholders (as the case may be) are urged to carefully read the Scheme Document containing such disclosures before casting any vote at (or providing any proxy in respect of) the Court Meeting or the SGM.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 16 May 2024 pending the release of this joint announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 28 May 2024.

DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders who own or control 5% or more of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in any relevant securities of the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This joint announcement may include certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this joint announcement include statements about the expected effects on the Company of the Proposal, the expected timing and scope of the Proposal, and all other statements in this joint announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “believes”, “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages”, “may”, “will” or “should” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction or waiver (where applicable) of the Conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Announcement Date and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement Date”	27 May 2024, being the date of this joint announcement
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Authorisations”	all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers, consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals, and all appropriate waiting periods (including extensions thereof), which are required or necessary in connection with the Proposal under any applicable laws or regulations
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$0.29 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Companies Act”	the Companies Act 1981 of Bermuda, as amended
“Company”	Huafa Property Services Group Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 982)
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as set out in the section headed “Conditions to the Proposal and the Scheme” of this joint announcement
“Court”	the Supreme Court of Bermuda
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	director(s) of the Company
“Disinterested Scheme Share(s)”	Scheme Shares held by the Disinterested Shareholders

“Disinterested Shareholders”	Shareholders other than the Offeror and the Offeror Concert Party(ies)
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Group”	the Company and its subsidiaries
“Guang Jie”	Guang Jie Investment Limited (光杰投资有限公司), a company incorporated under the laws of Hong Kong with limited liability, of which the Offeror is a direct wholly-owned subsidiary
“Guotai Junan Capital”	Guotai Junan Capital Limited, a corporation licensed under the SFO to engage in type 6 regulated activity (as defined under the SFO), and the financial adviser to the Offeror in respect of the Proposal
“Guotai Junan Group”	Guotai Junan Securities Co. Ltd. (stock codes: 601211.SH and 2611.HK) and its subsidiaries, including but not limited to Guotai Junan International Holdings Limited (stock code: 1788); Guotai Junan Securities (Hong Kong) Limited, a corporation licensed under the SFO to engage in type 1, type 2 and type 4 regulated activities (as defined under the SFO); and Guotai Junan Capital
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huafa Properties”	Zhuhai Huafa Properties Co., Ltd. (珠海華發實業股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600325)
“Independent Board Committee”	the independent board committee of the Company comprising Dr. Chen Jieping, Mr. Pu Yonghao and Mr. Guo Shihai, each being an independent nonexecutive Director, established by the Board to make a recommendation to the Disinterested Shareholders as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) whether to vote in favour of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the SGM

“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) voting by the Disinterested Shareholders at the Court Meeting and at the SGM
“Last Trading Day”	14 May 2024, being the last trading day prior to the issue of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 November 2024 or such other date as the Offeror and the Company may agree or, to the extent applicable, as the Court may direct, and in all cases as permitted by the Executive
“Macau”	the Macau Special Administrative Region of the PRC
“Meeting Record Date”	the record date for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the SGM
“offer period”	has the meaning ascribed to it in the Takeovers Code, which commenced on 27 May 2024, being the date of this joint announcement
“Offeror”	Huajin Investment Company Limited (鉞金投資有限公司), a company incorporated under the laws of Samoa with limited liability
“Offeror Concert Party(ies)”	person(s) who are acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code, including Guang Jie, Guotai Junan Group and Ms. Chen Yin
“PRC”	the People’s Republic of China, which, for the purpose of this joint announcement, excludes Hong Kong, Macau and Taiwan
“Proposal”	the proposal for the privatisation of the Company by way of the Scheme, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in this joint announcement and to be set out in the Scheme Document
“Record Date”	the record date to be announced for determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme

“Relevant Authorities”	any competent governments and/or governmental bodies, regulatory bodies, courts or institutions (including without limitation the SFC and the Stock Exchange)
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the scheme of arrangement between the Company and the Scheme Shareholders under section 99 of the Companies Act involving, among other things, the cancellation of all of the Scheme Shares
“Scheme Document”	the composite scheme document of the Company and the Offeror containing, among other things, further details of the Proposal
“Scheme Share(s)”	all of the Share(s) and such further Share(s) as may be issued prior to the Record Date, other than those held by the Offeror and Guang Jie
“Scheme Shareholder(s)”	registered holder(s) of Scheme Share(s)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purposes of considering and (if thought fit) approving all resolutions necessary for the implementation of the Proposal
“Share(s)”	ordinary share(s) of HK\$0.00025 each in the issued capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC as amended from time to time
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“Zhuhai Huafa”	Zhuhai Huafa Group Company Limited* (珠海華發集團有限公司)

“Zhuhai Huafa Group” Zhuhai Huafa and its subsidiaries

“%” per cent

By order of the board of directors of
Huajin Investment Company Limited
Xie Wei
Director

By order of the Board
**Huafa Property Services Group
Company Limited**
Zhou Wenbin
*Executive Director, Chairman and Chief
Executive Officer*

Hong Kong, 27 May 2024

* *For identification purpose only*

In this joint announcement, amounts in RMB are translated into HK\$ on the basis of RMB0.90981 = HK\$1. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at all.

As at the date of this joint announcement, the board of directors of the Offeror comprises Mr. Xie Wei and Ms. Li Yanmei; and the board of directors of Huafa Properties comprises Mr. Li Guangning, Ms. Chen Yin, Mr. Guo Lingyong, Mr. Tang Jianjun, Mr. Yu Weiguo, Mr. Xie Wei, Ms. Xu Jili, Ms. Guo Jin, Mr. Zhang Yan as directors and Mr. Zhang Xuebing, Mr. Wang Yuetang, Mr. Ding Huang, Mr. Gao Zicheng and Mr. Xie Gang as independent directors.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The directors of Huafa Properties jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. Zhou Wenbin (Chairman and Chief Executive Officer), Mr. Li Guangning, Mr. Xie Wei, Mr. Dai Geying, Ms. Luo Bin and Mr. Gu Yuanping (all being Executive Directors); Dr. Chen Jieping, Mr. Pu Yonghao and Mr. Guo Shihai (all being Independent Non-executive Directors).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Offeror or Huafa Properties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Offeror in their capacity as the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.