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POLY PROPERTY SERVICES CO., LTD.

保利物業服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 06049)

CONNECTED TRANSACTION

THE CONTRACT

On 16 October 2020, the Company and Poly Digital entered into the Contract, pursuant to which Poly Digital will provide equipment and installation as well as construction services for the intelligent parking system to the Group.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Poly Developments and Holdings is interested in an aggregate of 72.289% of the total issued share capital of the Company and is the controlling Shareholder of the Company. Poly Digital, as a wholly-owned subsidiary of Poly Developments and Holdings, is a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the Contract will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the contract price calculated in accordance with the Listing Rules is more than 0.1% but less than 5%, the Company is only subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

1. THE CONTRACT

The principal terms of the Contract are set out below:

- Date** : 16 October 2020
- Parties** : (i) the Company; and
(ii) Poly Digital
- Subject matter** : Pursuant to the Contract, Poly Digital will provide equipment and installation as well as construction services for the intelligent parking system to the Group.
- Contract price** : The Company complied with the tendering procedure for equipment procurement and installation as well as construction services for the intelligent parking system with the bid assessment principle being reasonable minimum pricing. After relevant assessment procedure and considering various factors including experience and ability, Poly Digital was finally determined as the centralized equipment procurement and construction partner for the intelligent parking system.

The contract price is RMB80 million (tax inclusive). The final contract price shall be calculated based on the actual construction volume of the project and shall not be higher than the contract price mentioned above. The contract price will be funded by internal resources of the Group.

- Payment arrangement** : Construction payments will be made on a bimonthly basis. 95% of the relevant construction quotation will be paid upon the completion and acceptance for each construction work; 97% of the approved settlement price of the construction quotation will be paid upon settlement, and the remaining balance of 3% will be paid in a lump sum within 15 days after the expiration of the two-year warranty period of constructions, subject to the fulfillment by Poly Digital of its warranty obligations.

2. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group will achieve the goals such as an integrated national parking lot platform of the Group, centralized management of business, centralized control of data, transparency and standardization of income, automatic audit of anomaly and reduced labor costs through modification of the intelligent parking system, so as to achieve the results of intelligent management of parking lots and less labour with greater efficiency, comply with the informationization strategy of the Group, and further enhance the management efficiency and service experience.

Poly Digital was certified as a national high-tech enterprise in 2018, and enjoys the advantages such as having experience in overall intelligent design and nationwide construction coordination and management as well as being able to carry out construction works and allocate resources on a national scale.

3. OPINION OF THE BOARD

In view of the above reasons and benefits, given that the transaction contemplated under the Contract is conducted in the ordinary and usual course of business of the Company and is on normal commercial terms or better, the Board (including the independent non-executive Directors) is of the view that the terms of the Contract are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

None of the Directors had any material interests in the transaction contemplated under the Contract. Considering that Mr. Huang Hai is the secretary of the board and officer of the board of directors of Poly Developments and Holdings, Mr. Liu Ping is a director and the general manager of Poly Developments and Holdings and Mr. Hu Zaixin is the deputy secretary of the committee of Communist Party of China of Poly Developments and Holdings, all of them abstained from voting on the Board resolution approving the Contract.

4. IMPLICATIONS UNDER THE LISTING RULES

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5. INFORMATION ON THE PARTIES

Information on the Group

The Company is a joint stock company with limited liability established in the PRC on 26 June 1996. The Group is a leading comprehensive property management service provider in the PRC with extensive property management scale and state-owned background, and is mainly engaged in providing property management services, value-added services to non-property owners and community value-added services.

Information on Poly Digital

Poly Digital is a company established in the PRC with limited liability on 23 August 2001, mainly engaging in providing intelligent technology services related to real estate and community.

Information on Poly Developments and Holdings

Poly Developments and Holdings is a joint stock company established in the PRC with limited liability on 14 September 1992 whose shares are listed on the main board of Shanghai Stock Exchange. Poly Developments and Holdings focuses on the business of real estate development and operation, and builds an ecological development platform of real estate, which is driven by the real estate investment and development business as its core, with integrated services and real estate finance business as two wings.

6. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Contract”	The Master Contract for the Intelligent Parking System Equipment Procurement and Construction Project of Poly Property (《保利物業智慧停車系統設備採購及施工項目總合同》) entered into between the Company and Poly Digital on 16 October 2020
“Board”	the board of Directors
“Company”	Poly Property Services Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB

“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Poly Digital”	廣州保利數碼科技有限公司 (Guangzhou Poly Digital and Technology Co., Ltd.), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Poly Developments and Holdings
“Poly Developments and Holdings”	保利發展控股集團股份有限公司 (Poly Developments and Holdings Group Co., Ltd.), a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the main board of Shanghai Stock Exchange (Stock Code: 600048). Poly Developments and Holdings is a controlling Shareholder of the Company
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

In this announcement, the terms “connected person”, “connected transaction”, “controlling shareholder” and “subsidiary” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The English names of Chinese entities included in this announcement are unofficial translations of their Chinese names and are included for identification purposes only.

By order of the Board
POLY PROPERTY SERVICES CO., LTD.
Huang Hai
Chairman of the Board and non-executive Director

Guangzhou, PRC, 16 October 2020

As at the date of this announcement, the non-executive Directors of the Company are Mr. Huang Hai, Mr. Liu Ping and Mr. Hu Zaixin; the executive Director of the Company is Ms. Wu Lanyu; and the independent non-executive Directors of the Company are Mr. Wang Xiaojun, Ms. Tan Yan and Mr. Wang Peng.