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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL SUMMARY

	Year ended 31 December		
	2020	2019	Change
	RMB million	*RMB million*	
Revenue	**8,037.2**	5,966.8	Increase 34.7%
Gross profit	**1,499.1**	1,210.7	Increase 23.8%
Gross profit margin	**18.7%**	20.3%	Decrease 1.6 percentage points
Profit for the year	**696.1**	503.2	Increase 38.3%
Net profit margin	**8.7%**	8.4%	Increase 0.3 percentage points
Profit for the year attributable to owners of the Company	**673.5**	490.5	Increase 37.3%
Basic earnings per share *(RMB)*	**1.22**	1.21	Increase 0.8%
Cash and cash equivalents	**7,448.1**	6,508.6	Increase 14.4%
Proposed annual dividend per share *(RMB)*	**0.43**	0.3	Increase 43.3%
Proposed payout ratio	**35.3%**	33.8%	Increase 1.5 percentage points

- For the year ended 31 December 2020 (the "**year**" or "**period**"), Poly Property Services Co., Ltd. (the "**Company**" or "**Poly Property**", and together with its subsidiaries, the "**Group**" or "**we**") recorded approximately RMB8,037.2 million of revenue, representing an increase of approximately 34.7% as compared to the corresponding period of 2019. For the year ended 31 December 2020, revenue contribution by the Group's three major business lines was as follows: (i) revenue from property management services increased by approximately 28.7% to approximately RMB4,947.6 million as compared to the corresponding period of 2019; (ii) revenue from value-added services to non-property owners increased by approximately 38.5% to approximately RMB1,341.3 million as compared to the corresponding period of 2019; and (iii) revenue from community value-added services increased by approximately 51.5% to approximately RMB1,748.3 million as compared to the corresponding period of 2019.

- For the year ended 31 December 2020, the Group recorded (i) approximately RMB1,499.1 million of gross profit, representing an increase of approximately 23.8% as compared to the corresponding period of 2019 with a gross profit margin of approximately 18.7%, representing a decrease of approximately 1.6 percentage points as compared to the corresponding period of 2019; (ii) approximately RMB696.1 million of profit for the year, representing an increase of approximately 38.3% as compared to the corresponding period of 2019 with a net profit margin of approximately 8.7%, representing an increase of approximately 0.3 percentage points as compared to the corresponding period of 2019; (iii) approximately RMB673.5 million of profit for the year attributable to owners of the Company, representing an increase of approximately 37.3% as compared to the corresponding period of 2019; and (iv) approximately RMB1.22 of basic earnings per share.

- As at 31 December 2020, the cash and cash equivalents of the Group amounted to approximately RMB7,448.1 million, representing an increase of approximately RMB939.5 million or approximately 14.4% as compared to that of 31 December 2019.

- Taking into account the Group's business development needs and returns to the shareholders of the Company (the "**Shareholders**"), the board (the "**Board**") of directors (the "**Directors**") of the Company proposed an annual dividend of RMB0.43 per share for 2020, with a dividend payout ratio of approximately 35.3%.

RESULTS

The Board hereby announces the audited consolidated results of the Group for the year ended 31 December 2020, together with comparative figures for the corresponding period of 2019, as follows:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**8,037,156**	5,966,836
Cost of services		**(6,538,095)**	(4,756,115)
Gross profit		**1,499,061**	1,210,721
Other income and other net gain/(loss)	*5*	**210,477**	34,510
Selling and marketing expenses		**(15,187)**	(5,171)
Administrative expenses		**(769,722)**	(568,625)
Share of associates'/joint ventures' results		**17,745**	16,282
Finance cost		**(4,805)**	(898)
Other expense		**(2,377)**	(1,385)
Profit before income tax expense	*6*	**935,192**	685,434
Income tax expense	*7*	**(239,077)**	(182,252)
Profit for the year		**696,115**	503,182
Profits for the year attributable to:			
– Owners of the Company		**673,525**	490,511
– Non-controlling interests		**22,590**	12,671

	Notes	Year ended 31 December **2020** *RMB'000*	2019 *RMB'000*
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income			
– Change in fair value		**(8,000)**	2,200
Profits and total comprehensive income for the year		**688,115**	505,382
Profits and total comprehensive income for the year attributable to:			
– Owners of the Company		**665,525**	492,711
– Non-controlling interests		**22,590**	12,671
Earnings per share (expressed in RMB per share)			
– Basic and diluted earnings per share	*9*	**1.22**	1.21

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
ASSETS AND LIABILITIES			
Non-current assets			
Interests in associates/joint ventures		**43,720**	27,254
Property, plant and equipment		**161,770**	98,989
Leased assets and investment properties		**180,403**	15,475
Financial assets at fair value through other comprehensive income		**5,000**	13,000
Intangible assets	*10*	**136,137**	95,709
Prepayments for property, plant and equipment		**5,196**	10,698
Deferred tax assets		**13,303**	6,636
		545,529	267,761
Current assets			
Inventories		**50,636**	46,268
Trade and bills receivables	*11*	**888,057**	391,388
Prepayments, deposits and other receivables		**511,858**	357,032
Deposits and bank balances		**7,448,102**	6,508,618
		8,898,653	7,303,306
Current liabilities			
Trade payables	*12*	**397,096**	253,359
Accruals and other payables		**1,246,828**	1,180,167
Lease liabilities		**211,476**	2,643
Contract liabilities	*4*	**1,181,881**	936,732
Income tax payable		**92,478**	51,024
		3,129,759	2,423,925
Net current assets		**5,768,894**	4,879,381
Total assets less current liabilities		**6,314,423**	5,147,142

		As at 31 December	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Non-current liabilities			
Other financial liabilities		**22,716**	–
Lease liabilities		**26,645**	12,252
Deferred tax liabilities		**18,283**	12,642
		67,644	24,894
Net assets		**6,246,779**	5,122,248
EQUITY			
Capital and reserves attributable to owners of the Company			
Capital	*13*	**553,333**	533,333
Reserves		**5,617,573**	4,522,154
Equity attributable to owners of the Company		**6,170,906**	5,055,487
Non-controlling interests		**75,873**	66,761
Total equity		**6,246,779**	5,122,248

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated in the PRC on 26 June 1996 under the PRC Companies Law. On 25 October 2016, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company's registered office is located at Rooms 201-208, No.688 Yue Jiang Zhong Road, Hai Zhu District, Guangzhou, Guangdong Province, the PRC. The Company's principal place of business is located at the PRC. The Company was listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 December 2019. The parent company is Poly Developments and Holdings Group Co., Ltd ("**Poly Developments and Holdings**") whose shares are listed on the Mainboard of Shanghai Stock Exchange in the PRC. The ultimate holding company is China Poly Group Corporation Limited ("**China Poly Group**"), a state-owned enterprise established in the PRC.

The Group is principally engaged in provision of property management services, community value-added services and value-added services to non-property owners in the PRC. The consolidated financial statements were authorised for issue by the Board of Directors on 24 March 2021.

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 Adoption of new and revised standards – effective on 1 January 2020

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended Hong Kong Financial Reporting Standards (the "**HKFRSs**") and Hong Kong Accounting Standards (the "**HKASs**") that are first effective for the current accounting period of the Group:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Amendments to HKFRS 3	Definition of a Business

Other than the amendments to HKFRS 3, none of these new or amended HKFRSs and HKASs that are effective from 1 January 2020 have any significant impact on the Group's accounting policies.

Amendments to HKFRS 3 – Definition of a business

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is a business or not. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

The Group elected to apply the amendments prospectively to acquisitions for which the acquisition date is on or after 1 January 2020. The Group acquired a set of activities and assets in January 2020 and December 2020 respectively and elected to apply the concentration test to that transaction but the transaction failed the concentration test. Based on the assessment of elements of a business, the Group concluded that the acquired set of activities and assets is a business.

2.2 New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective for the current accounting period of the Group and have not been adopted early in these financial statements, will or may have an effect on the Group's future financial statements:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKAS 16	Proceeds before Intended Use[2]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments, HKFRS 16 Leases and HKAS 41 Agriculture[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[3]
HKFRS 17	Insurance Contracts[4]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[4]
HK Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions[6]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for annual periods beginning on or after 1 January 2022.

3 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

4 Effective for annual periods beginning on or after 1 January 2023.

5 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

6 Effective for annual periods beginning on or after 1 June 2020 with earlier application permitted.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segment, has been identified as the executive directors of the Company.

Information about major customer

For the years ended 31 December 2020 and 2019, revenue from a Shareholder - Poly Developments and Holdings and its subsidiaries ("**Poly Developments and Holdings Group**") contributed 15.1%, and 14.7% of the Group's revenue respectively. Other than the Poly Developments and Holdings Group, the Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the years ended 31 December 2020 and 2019.

Operating segment information

The Group is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the chief operating decision-maker of the Company regards that there is only one segment which is used to make strategic decisions.

Information about geographical areas

The major operating entity of the Group is domiciled in the PRC. Accordingly, all of the Group's revenue was derived in the PRC during the years ended 31 December 2020 and 2019.

As at 31 December 2020 and 2019, all of the non-current assets were located in the PRC.

4 REVENUE

Revenue mainly comprises of proceeds from property management services, community value-added services and value-added services to non-property owners. An analysis of the Group's revenue by category for the years ended 31 December 2020 and 2019 was as follows:

	Revenue from customers and recognised	**Year ended 31 December**	
		2020	2019
		RMB'000	*RMB'000*
Property management services	over time	**4,947,555**	3,843,828
Value-added services to non-property owners			
– Pre-delivery services and other value-added services to non-property owners	over time	**1,305,802**	968,752
– Rental income	over the lease term	**35,449**	–
Community value-added services			
– Other community value-added services	over time	**1,089,828**	910,253
– Sales of goods	at a point in time	**658,522**	244,003
		8,037,156	5,966,836

For property management services, the performance obligation is satisfied upon services provided and there is no credit term for property owners and property developers. For value-added services to non-property owners, the performance obligation is satisfied upon services provided. For community value-added services, the performance obligation is satisfied upon services provided and the service income is due for payment by the residents upon issuance of demand note.

(a) Unsatisfied performance obligations

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts. The majority of the property management service contracts do not have a fixed term. The term of the contracts for value-added services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community value-added services, they are rendered in short period of time and there is no unsatisfied performance obligation at the end of respective periods.

(b) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2020 and 2019, there was no significant incremental costs to obtain a contract.

(c) Details of contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Contract liabilities	**1,181,881**	936,732

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Such liabilities increase as a result of the growth of the Group's business.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year's carried-forward contract liabilities.

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
Property management services	**745,852**	609,992
Community value-added services	**77,014**	47,702
Value-added services to non-property owners	**11,453**	11,995
	834,319	669,689

5 OTHER INCOME AND OTHER NET GAIN/(LOSS)

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Other income:		
Bank interest income	**98,413**	9,798
Other interest income *(Note a)*	**20,403**	15,782
Government grants and tax incentives *(Note b)*	**85,358**	31,812
Penalty income	**1,565**	1,286
Others	**822**	426
	206,561	59,104
Other net gain/(loss):		
Gain on disposal of investment properties	**–**	2,835
Loss on disposal of property, plant and equipment	**(59)**	(279)
Impairment loss on trade receivables	**(21,203)**	(8,744)
Impairment loss on other receivables	**(4,112)**	(3,582)
Exchange gain/(loss), net	**29,290**	(14,824)
	210,477	34,510

Notes:

(a) Other interest income during the years ended 31 December 2020 and 2019 mainly represented the interest received from the amount due from Poly Developments and Holdings Group and from the amount due from a related party, which is unsecured, interest-bearing and repayable on demand. Interest was also received from the deposit maintained with a fellow subsidiary, Poly Finance Company Limited, which is unsecured, interest-bearing and repayable on demand or with a 7-day notice.

(b) Government grants mainly represented the financial support received from the local government as an incentive for business development and there are no unfulfilled conditions attached to the government grant. Tax incentives mainly included additional deduction of input value-added tax applicable to the Company and its certain subsidiaries.

6 PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/(crediting) the following:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Auditor's remuneration	**2,600**	2,000
Depreciation of property, plant and equipment	**60,643**	33,029
Depreciation of leased assets and investment properties	**35,495**	647
Amortisation of intangible assets	**7,436**	6,778
Impairment loss on trade receivables	**21,203**	8,744
Impairment loss on other receivables	**4,112**	3,582
Short-term leases expenses	**51,607**	45,517
Finance cost – interest on lease liabilities	**4,805**	898
Listing expenses	**–**	6,070
Staff costs (including director's emoluments):		
Salaries and bonus	**3,233,559**	2,591,166
Pension costs, housing funds, medical insurances and other social insurances	**293,165**	381,747
	3,526,724	2,972,913

7 INCOME TAX EXPENSE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Current tax		
Tax for the current year and prior years	**247,379**	186,558
Deferred tax		
Credited to profit or loss for the year	**(8,302)**	(4,306)
	239,077	182,252

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the years ended 31 December 2020 and 2019. The current tax during the year ended 31 December 2020 included the under-provision of RMB4,418,000 (2019: Nil) in prior years.

Corporate income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The general corporate income tax rate in the PRC under the PRC Corporate Income Tax Law is 25%. Certain subsidiaries of the Group in PRC are either located in cities of Western China or qualified as small and micro enterprise, and are subjected to a preferential income tax rate of 15% or 5% in certain years.

8 DIVIDENDS

During the year ended 31 December 2019, dividend of RMB160,000,000 in respect of 2018 was declared and paid by the Company to its Shareholders (Poly Developments and Holdings and Xizang Yingyue Investment Management Co., Ltd.).

During the year ended 31 December 2020, dividend of RMB166,000,020 (tax inclusive) in respect of 2019 was declared and paid.

Subsequent to the end of the reporting period, the directors proposed an annual dividend of RMB0.43 per share (tax inclusive) in respect of 2020, total amounted to RMB237,933,362 (tax inclusive). The annual dividend amount which shall be subject to the approval of the Shareholders at the annual general meeting to be held on 28 May 2021 has not been recognised as a liability at the end of the reporting period.

9 EARNINGS PER SHARE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Profits		
Profit attributable to owners of the Company	**673,525**	490,511

	Year ended 31 December	
	2020	2019
	Number'000	*Number'000*
Number of shares		
Weighted average number of ordinary shares *(Note)*	**552,459**	404,749
Basic and diluted earnings per share (RMB)	**1.22**	1.21

Note: Weighted average of 552,459,000 ordinary shares for the year ended 31 December 2020 includes the weighted average of 20,000,000 ordinary shares issued due to over-allotment, in addition to the 533,333,400 ordinary shares for the year ended 31 December 2019.

Weighted average of 404,749,000 ordinary shares for the year ended 31 December 2019, includes the weighted average of 133,333,400 ordinary shares issued immediately after the completion of global offering, in addition to the 400,000,000 ordinary shares for the year ended 31 December 2018.

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the years ended 31 December 2020 and 2019.

10 INTANGIBLE ASSETS

	Property management contracts *RMB'000*	Goodwill *RMB'000*	Total *RMB'000*
COST			
At 1 January 2019	55,000	46,129	101,129
Acquired through acquisition of a subsidiary	3,000	904	3,904
At 31 December 2019 and 1 January 2020	58,000	47,033	105,033
Acquired through acquisition of a subsidiary	30,000	17,864	47,864
At 31 December 2020	88,000	64,897	152,897
ACCUMULATED AMORTISATION			
At 1 January 2019	2,546	–	2,546
Amortisation	6,778	–	6,778
At 31 December 2019 and 1 January 2020	9,324	–	9,324
Amortisation	7,436	–	7,436
At 31 December 2020	16,760	–	16,760
NET BOOK VALUE			
At 31 December 2020	71,240	64,897	136,137
At 31 December 2019	48,676	47,033	95,709

11 TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Related parties	**349,826**	133,976
Third parties	**570,583**	272,447
Total	**920,409**	406,423
Less: allowance for impairment of trade receivables	**(36,658)**	(15,455)
	883,751	390,968
Bills receivables	**4,306**	420
	888,057	391,388

As at 31 December 2020 and 2019, the trade receivables were denominated in RMB, and the fair value of trade receivables approximated its carrying amounts.

Trade receivables mainly arise from property management services income under lump sum basis and income from value-added services to non-property owners.

Property management services income under lump sum basis are received in accordance with the term of the relevant property service agreements. Service income from property management services is due for payment by the residents upon the issuance of demand note.

The maturity of the bills receivables of the Group as at 31 December 2020 and 2019 is within 1 month. As at 31 December 2020 and 2019, bills receivables is due from Poly Developments and Holdings Group.

As at 31 December 2020 and 2019, the ageing analysis of the trade receivables based on invoice date was as follows:

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Within 1 year	**850,989**	383,526
1 to 2 years	**51,630**	20,962
Over 2 years	**17,790**	1,935
	920,409	406,423

12 TRADE PAYABLES

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Related parties *(Note)*	**2,128**	10,217
Third parties	**394,968**	243,142
	397,096	253,359

Based on the receipt of services and goods, which normally coincided with the invoice dates, the ageing analysis of the Group's trade payables as at the end of the year was as follows:

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Within 1 year	**368,356**	244,999
1 to 2 years	**24,408**	8,194
Over 2 years	**4,332**	166
	397,096	253,359

Note: The balance was unsecured, interest-free and repayable on demand.

13 CAPITAL

		Domestic shares		Listed H shares		Total	
		Number	Amount	**Number**	Amount	**Number**	Amount
	Notes	***'000***	*RMB'000*	***'000***	*RMB'000*	***'000***	*RMB'000*
Registered, issued and fully paid:							
At 1 January 2019	*(a)*	**100,000**	100,000	**–**	–	**100,000**	100,000
Issue of domestic shares upon capitalisation	*(b)*	**300,000**	300,000	**–**	–	**300,000**	300,000
Issue of H shares upon global offering	*(c)*	**–**	–	**133,333**	133,333	**133,333**	133,333
At 31 December 2019 and 1 January 2020		**400,000**	400,000	**133,333**	133,333	**533,333**	533,333
Issue of H shares upon over-allotment	*(d)*	**–**	–	**20,000**	20,000	**20,000**	20,000
At 31 December 2020		**400,000**	400,000	**153,333**	153,333	**553,333**	553,333

Note:

(a) The Company was incorporated as a state-owned company under the laws of the PRC with limited liability on 26 June 1996 with a registered share capital of RMB3,000,000 divided into 3,000,000 domestic shares of par value RMB1.00 each. The registered capital of Company was then increased to RMB5,000,000, RMB50,000,000 and RMB100,000,000 on 21 May 2003, 19 May 2011 and 26 September 2016 respectively.

(b) Pursuant to the written resolutions passed on 7 May 2019, the registered share capital was increased from approximately RMB100,000,000 to RMB400,000,000 by way of the capitalisation of capital reserves and retained earnings of the Company of approximately RMB80,000,000 and RMB220,000,000 respectively.

(c) On 19 December 2019, 133,333,400 H shares of par value RMB1.00 each of the Company were issued at a price of HK$35.10 by way of a global offering. On the same date, the Company's H shares were listed on the Stock Exchange. Gross proceeds from the issue amounted to HK$4,680,002,000 (equivalent to RMB4,207,509,400). After deducting the capitalised underwriting fees and relevant expenses of RMB134,591,000, net proceeds from the issue amounted to RMB4,072,918,400, of which, RMB133,333,400 was recorded as capital and RMB3,939,585,000 was recorded as share premium.

(d) On 17 January 2020, 20,000,000 H shares of par value RMB1.00 each of the Company were issued pursuant to the exercise of the over-allotment option in full on 10 January 2020 at HK$35.10 per share. Gross proceeds from the issue amounted to HK$702,000,000 (equivalent to RMB622,098,360). After deducting the capitalised underwriting fees and relevant expenses of RMB6,204,000, net proceeds from the issue amounted to RMB615,894,360, of which, RMB20,000,000 was recorded as capital and RMB595,894,360 was recorded as share premium.

(e) Both holders of domestic shares and H shares are ordinary Shareholders and have the equal rights and obligations.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of the Group for the year ended 31 December 2020. During the year, the Group recorded a revenue of approximately RMB8,037.2 million, representing an increase of approximately 34.7% as compared to the corresponding period of 2019; a gross profit of approximately RMB1,499.1 million, representing an increase of approximately 23.8% as compared to the corresponding period of 2019; a profit for the year of approximately RMB696.1 million, representing an increase of approximately 38.3% as compared to the corresponding period of 2019; and a profit for the year attributable to owners of the Company of approximately RMB673.5 million, representing an increase of approximately 37.3% as compared to the corresponding period of 2019. The Board recommends the payment of an annual dividend for 2020 of RMB0.43 per share (2019: RMB0.3 per share).

A look back at 2020

The year of 2020 was an extraordinary year. The outbreak of COVID-19 rigorously challenged people's lives and social and economic development. In this battle against the pandemic, all of the employees of Poly Property helped fulfill Poly Property's responsibility as a central enterprise to safeguard the country and the people, efficiently cooperated with governments at all levels to build an gridded anti-pandemic front, determined to assume the responsibility and endure hardship in protecting the community and homes in order to ensure normal operation and production of the enterprise with our professionalism and to build up a strong fortification against the pandemic. Our movements have been unanimously recognised by property owners, government and society. The year of 2020 was also a year of endeavoring. Striving to tide over challenges and proceed courageously, the employees of Poly Property will consolidate its "Comprehensive Property" strategy and work hard in multiple ways, ranging from business expansion, quality enhancement to management intensification, thereby continuing to create value for our Shareholders, customers, employees and society.

Accelerating breakthroughs in market-oriented development, and the scale of "Comprehensive Property" reached a new level. As we adhered to our market-oriented development, the single-year contract value of projects from third parties acquired was approximately RMB1,715.2 million during the year, of which the proportion of non-residential businesses continued to rise, the number of benchmark projects increased rapidly and the overall scale reached a new level. As at 31 December 2020, we had expanded into 184 cities in 29 provinces, municipalities and autonomous regions across China, with contracted gross floor area ("**GFA**") of approximately 567.2 million sq.m., 1,948 contracted projects, GFA under management of approximately 380.1 million sq.m. and 1,389 projects under management. For the year ended 31 December 2020, the proportion of revenue from property management services derived from projects from third parties increased by 8.3 percentage points to 26.4% as compared to the corresponding period of last year.

Consolidating presence in the public service-related market and collaborating with innovations on social governance. Always echoing with and responding to national policies, Poly Property has continued to consolidate its services in the diversified businesses in cities as well as town areas, and promoted integration of property services and social governance in an innovative way under its concept of "Achieving refined governance that makes ways for good achievement and serving the people" (善治善成，服務民生). We continued to expand our business layout across the country for diversified businesses of public services. As at 31 December 2020, we expanded into 26 provinces, with GFA under management of approximately 201.3 million sq.m. and 393 projects under management, representing an increase of 127 projects under management as compared to last year. We further concentrated on three core businesses, namely properties in towns and scenic areas, higher education, teaching and research properties, railways and transportation properties, and achieved breakthroughs in a number of projects themed on integration of environmental sanitation. We successfully convened the 3rd China Social Governance and Collaborative Innovation Mayor Forum* (第三屆中國社會治理與協同創新鎮長論壇), commenced public service-related strategies and launched a new product series of "Towns Revitalisation" (鎮興中國), all serving for facilitating innovation of models that promote the modernization of social governance and the national implementation of the same.

High-quality service experience coming from a standardised service system. As we have adopted a quality-oriented approach on service offering, we continued to upgrade our standardised service system applicable to various businesses that was established by taking customers' perspective when experiencing different services, so that the Group could enhance its quality through refined management. During the year, we launched an ultra-standardised operation and service system in residential communities across the country, further improving the precision of control on projects and maintaining high satisfaction from and solicitation rates of property owners as compared with our industry peers. In the area of public services, we developed a standardised service system applicable to various businesses and issued a service manual on standardised urban services, in order to facilitate "refined governance" (精細善治) in social governance through refined services and management control.

Creating a diversified ecosystem of value-added services that focuses on the needs of property owners and customers. Riding on our diversified business layout, we were committed to providing property owners with diversified daily life-related services with premium quality by bringing together various internal and external premium resources, thereby offering consumers with more valuable professional services. As our supply chain system improved, our operation consolidated and our business model became more well-established, we gradually expanded from the four vertical businesses, namely move-in and furnishing services, community retail, community media and housekeeping services, to areas such as daily life-related services, professional services and asset management, with the aim to create a more diversified and high-quality value-added service system.

Accelerating the construction of the platform for smart property management services through comprehensive digitalization. Believing that a shift to digitalization and technology empowerment will be the core driving forces to reform the industry, we carried out a comprehensive digitalization plan in four major areas, namely internal control system, project management, smart community and value-added services. During the year, we focused on internal control systems in relation to areas such as costing and budgeting in order to further improve our control and efficiency of management. We upgraded our unmanned surveillance system for car parks and launched "Heyuan Youpin" (和院優品) online shop, thereby bringing a more enjoyable living and consumption experience to property owners and further exploring the profit potential of our projects.

We believed that a platform for smart property management services would improve our competitiveness as this would enhance customer experience, improve management efficiency and facilitate our innovation on business models, and consequently conducive to realisation of our "Comprehensive Property" strategy.

Intensifying establishment of corporate culture and focusing on building up a team of talents and organizational innovation. During the year, we continue to develop our "Spark Culture" (星火文化) system and reached a consensus on our vision, mission, core values and strategies, and worked in solidarity among peers in the Company to achieve the shared goal of "achieving refined governance that makes ways for good achievement and serving the people" (善治善成，服務民生), which in turn facilitated our progress towards strategic and operational goals. We stepped up our efforts in building up our team of talents, and brought in more managerial and professional talents as well as new recruits from schools during the year. By enhancing our talent training across different levels as well as assessment and incentive system, a team that is competitive, diligent, pragmatic, aggressive and positive-minded could be built, which would give a stronger impetus to our development.

Outlook

The year of 2020 marked the end of the 13th Five-Year Plan. The period of 13th Five-Year Plan represents the five years of hard work and dedication made by all Poly Property employees. In the past five years, we have capitalised on the rapid growth of the industry and achieved excellent results in the expansion of our strategic scope and diversification of businesses, thus establishing our competitive position as a pioneer in the era of Comprehensive Property. In these past five years, we also have been following our original philosophy on services and continued to offer high quality services, which have been well received by property owners, the government and society, and in turn significantly enhanced our brand reputation. Likewise, in these past five years, we have established an informatised and institutionalised system on corporate management and successfully listed on the Main Board of the Stock Exchange, included in indices including the Hang Seng Composite Index and the MSCI China Index, suggesting that we are highly recognised by the capital market.

The year 2020 was also a year for the Group to conclude the past and devise for the future in terms of its strategic development. Looking ahead, the property management industry is facing a period that witnesses the speeding up of the process of industrial regulation and market-oriented development, the expansion of service scope, industrialisation of value-added services and digitalization in which we could seek any strategic opportunities.

The industry has become more quality-oriented, regulated and market-oriented. The multiple policy documents issued in the last year have provided clear guidance for the long-term and healthy development of the industry. It is believed that by improving the operational mechanism of the industry and strengthening the regulation and supervision of the industry, the overall service level and marketability of the industry will be enhanced. Property management enterprises with good reputation and reliable service quality can further capitalise on their competitive advantages and enjoy better development opportunities.

Optimistic about the extensive advantages brought by the expansion of service scope. As the property management industry further integrates into the basic social governance institution, the areas in which our services are available will expand from private communities to urban public spaces, and our service scope will also gradually expand from basic property services to professional ones such as municipal environmental sanitation services as well as facilities management services. By leveraging its professionalism and centralised management capabilities, the property management industry is expected to provide integrated solutions for public services offered by the government, thereby sharing the industry opportunities from serving people in areas such as market-oriented development of logistic services, the refined urban management and the renovation and maintenance of existing properties.

Value-added services gradually entering into the phase of industrialisation. In the past few years, in general, the property management industry enjoyed a rapid increase in revenue by developing around the concept of community retailing or the offering of turnkey furnishing and move-in services. In the future, value-added services will break through the kick-off period and grow into a systemic industry. We may further satisfy diversified service needs of our property owners and various customers by keeping enhancing our products and services and producing a competitive and widely applicable business model that fits various circumstances, while truly integrating into daily consumption and service scenarios.

Digitalization as the next impetus propelling development of the industry. New technologies such as the Internet, Internet of Things and big data will fundamentally reshape the traditional property management enterprises by improving management efficiency, revamping service models, offering high-quality and differentiated products, and speeding up the development of an industry chain. As the industry enters into a phase of scaling and focusing on quality and witnesses more horizontal extension of the industry chain, digitalization is inevitable for the industry to develop from a labour-intensive industry to be more of intelligent operation. Digitalization is also necessary for property management enterprises to enhance their market competitiveness and ability to expand.

In the first year of the 14th Five-Year Plan, we will echo with and respond to national policies and capitalise on any strategic opportunities in the prime time for the development of the industry, while proactively realizing our corporate mission of "achieving refined governance that makes ways for good achievement and serving the people" (善治善成，服務民生) and realizing our development goal of becoming the leading provider of the Comprehensive Property ecosystem, by optimizing our scale and quality, introducing more innovative business models, continuing to improve our customer experience and speeding up technological empowerment and organisational innovation.

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

Guangzhou, China, 24 March 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading comprehensive property management service provider in China with extensive property management scale and state-owned background, ranking the third among the listed property management companies according to the List of Top Ten Listed Property Management Companies in 2020 released by the China Property Management Institute. With high-quality services and brand strength, we have enjoyed an industry-wide reputation. Our brand was valued at more than RMB12.2 billion in 2020. As at 31 December 2020, the Group had a total of 1,948 contracted projects with an aggregate contracted GFA of approximately 567.2 million sq.m., covering 184 cities across 29 provinces, municipalities and autonomous regions in China; and the aggregate GFA under management of the Group's projects reached approximately 380.1 million sq.m. with a total of 1,389 projects under management. The Group has actively pushed forward the "Comprehensive Property" strategy and its business portfolio covers residential communities, commercial and office buildings, and public and other properties.

The Group derives revenue from three main business lines, namely (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services.

Property management services – representing approximately 61.6% of the total revenue

For the year ended 31 December 2020, the Group's revenue from property management services amounted to approximately RMB4,947.6 million, representing an increase of approximately 28.7% as compared to the corresponding period of 2019, which is mainly due to the expansion of GFA under management and the increase in the number of projects under management of the Group.

The following table sets out the changes in the Group's contracted GFA:

	As at 31 December					
	2020		2019			
Source of projects	**Contracted GFA**	**Percentage of contracted GFA**	Contracted GFA	Percentage of contracted GFA	New GFA acquired during the year	Growth rate
	'000 sq.m.	***%***	*'000 sq.m.*	*%*	*'000 sq.m.*	*%*
Poly Developments and Holdings Group *(Note)*	**240,145**	**42.3**	209,792	42.1	30,353	14.5%
Third parties	**327,057**	**57.7**	288,331	57.9	38,726	13.4%
Total	**567,202**	**100.0**	498,123	100.0	69,079	13.9%

Note: "Poly Developments and Holdings Group" refers to properties developed, solely or jointly with other parties, by members of Poly Developments and Holdings Group (including its joint ventures and associates).

As the leader in the real estate industry in China, the steady development of Poly Developments and Holdings Group, our controlling shareholder, and its support brought along with increasing business demand for the Group. As at 31 December 2020, the contracted GFA from Poly Development and Holdings Group reached approximately 240.1 million sq.m., representing an increase of approximately 30.4 million sq.m. as compared to the contracted GFA as at 31 December 2019.

Our Group has exerted great efforts in market development through various methods such as invitations of tender and tenders, joint investment and cooperation and mergers and acquisitions by capitalizing on the outstanding quality of its service offerings, its well-consolidated resources accumulated as a central enterprise and its reputable brand. During the year, we acquired 382 new contracted projects from third parties with the single-year contract value of projects of approximately RMB1,715.2 million (exclusive of any renewed contracted projects). As at 31 December 2020, the Group's contracted GFA from third parties was approximately 327.1 million sq.m., representing an increase of approximately 38.7 million sq.m. compared with that of 31 December 2019.

As for invitations of tender and tenders, during the year, the Group consolidated its market expansion system and accelerated the expansion of its team of talents to fuel its expansion, and increased the effectiveness of its expansion by more focusing on investments in key non-residential business and major projects, leading to 355 newly contracted projects from third parties with the single-year contract value of projects of approximately RMB1,640.3 million (exclusive of any renewed contract) among which single-year contract value from non-residential business accounted for over 65% and major projects with the single-year contract value of over RMB10 million also accounted for nearly 50% in total. The Group also maintained good momentum in the expansion into residential projects from third parties, with the contracted GFA of residential projects from third parties increasing by 20.0 million sq.m. to 87.7 million sq.m., as compared to that of the end of 2019.

The Group also took the initiative in joint investment and cooperation with state-owned enterprises and local state-owned enterprises so that it can leverage the complementary cooperation with one another in terms of resources and capabilities, and fully capitalise on the opportunities arising from development of integrated logistics services in the society. During the year, the Group completed the establishment of joint venture companies with four state-owned enterprises located in Huaihua City and Ningxiang City in Hunan Province, Jiujiang City in Jiangxi Province and Quzhou City in Zhejiang Province.

During the year, the Group successfully completed the acquisition of Chengdu Vastrong Property Development Co., Limited* (成都華昌物業發展有限責任公司) ("**Vastrong Property**"). Vastrong Property, which was converted from a state-owned professional service enterprise established by Chengdu Urban-Rural Housing Bureau* (成都市房管局), possesses extensive resource reserves, strong market influence and reputable brand in the sector of commercial offices and public buildings in Chengdu. The properties under its management are principally commercial offices and large-scale public buildings in two central business districts of Chengdu. Some of its flagship projects include Tianfu IFC*(天府國際金融中心), Chengdu Hi-Tech International Plaza* (成都高新國際廣場), Sichuan Art Museum*

(四川美術館) and Chengdu Women's and Children's Centre* (成都市婦女兒童中心). By complementing resources and capabilities of one another, Vastrong Property is able to bolster the Group's competitiveness in providing property management services to commercial offices and public building sectors in the Southwest region.

The following table sets out a breakdown of the Group's revenue, GFA under management and the number of projects under management by the source of projects for the periods or as at the dates indicated:

	For the year ended or as at 31 December									
	2020					2019				
Source of projects	**Revenue**		**GFA under management**		**Number of projects under management**	Revenue		GFA under management		Number of projects under management
	RMB'000	**%**	***'000 sq.m.***	**%**		*RMB'000*	%	*'000 sq.m.*	%	
Poly Developments and Holdings Group	**3,642,596**	**73.6**	**152,288**	**40.1**	**746**	3,148,908	81.9	128,757	44.9	608
Third parties	**1,304,959**	**26.4**	**227,838**	**59.9**	**643**	694,920	18.1	158,194	55.1	402
Total	**4,947,555**	**100.0**	**380,126**	**100.0**	**1,389**	3,843,828	100.0	286,951	100.0	1,010

As at 31 December 2020, the total GFA under management of the Group was approximately 380.1 million sq.m., of which approximately 152.3 million sq.m. were from Poly Developments and Holdings Group and approximately 227.8 million sq.m. were from third parties. In addition, revenue from property management services to third parties amounted to approximately RMB1,305.0 million, representing a significant increase of approximately 87.8% as compared to the corresponding period of 2019 and accounting for approximately 26.4% of the total revenue from property management services, which represents an increase of 8.3 percentage points as compared to the corresponding period in 2019.

Equal emphasis on residential and non-residential businesses

The Group has accelerated its "Comprehensive Property" strategy. Based on the steady growth of the residential management scale, the diversified business structure has been further optimised. The non-residential business has become one of the important driving forces for the scale development of the Group. As at 31 December 2020, the GFA under management of non-residential business increased to approximately 212.6 million sq.m., accounting for 55.9% of the total GFA under management. During the year, we recorded revenue of property management services from non-residential properties of approximately RMB1,499.3 million, representing an increase of 53.0% as compared to the corresponding period of 2019. The proportion of such revenue to the overall revenue of property management services increased by 4.8 percentage points year-on-year to 30.3%.

The following table sets out a breakdown of the Group's revenue, GFA under management and number of projects under management by property type for the periods or as at the dates indicated:

	For the year ended or as at 31 December									
	2020					2019				
Source of projects	**Revenue**		**GFA under management**		**Number of projects under management**	Revenue		GFA under management		Number of projects under management
	RMB'000	*%*	*'000 sq.m.*	*%*		*RMB'000*	*%*	*'000 sq.m.*	*%*	
Residential communities	**3,448,240**	**69.7**	**167,525**	**44.1**	**832**	2,864,046	74.5	138,815	48.4	655
Non-residential properties	**1,499,315**	**30.3**	**212,601**	**55.9**	**557**	979,782	25.5	148,136	51.6	355
– Commercial and office buildings	**695,291**	**14.1**	**11,285**	**3.0**	**164**	498,839	13.0	7,812	2.7	89
– Public and other properties	**804,024**	**16.2**	**201,316**	**52.9**	**393**	480,943	12.5	140,324	48.9	266
Total	**4,947,555**	**100.0**	**380,126**	**100.0**	**1,389**	3,843,828	100.0	286,951	100.0	1,010

For residential communities, the Group has established two major property service brands of "Harmony Courtyard" and "Oriental Courtesy" as its dedicated effort to offer premium living experience to property owners through refined management and standardised services. During the year, the Group enhanced its operational efficiency and stabilised its quality on services through our promotion of six standards across the country, namely service standards, operational standards, staff deployment standards, management and control standards, assessment and motivation standards and staff competency standards. As at 31 December 2020, the GFA under management in the Group's residential communities was approximately 167.5 million sq.m., accounting for approximately 44.1% of the total GFA under management. For the year ended 31 December 2020, revenue from property management services for residential communities amounted to approximately RMB3,448.2 million, representing an increase of approximately 20.4% as compared to the corresponding period of 2019 and accounting for approximately 69.7% of total revenue from the Group's property management services.

For commercial and office buildings, the Group has established the property service brand of "Nebula Ecology" to provide a trinity service system including property management, asset management and corporate services around the service concept of "scenario operation" while taking into account the demand for commercial and office buildings from enterprises, all for the aim of developing into the top brand of commercial service provider with state-owned background in China. During the year, we ventured into the market of landmark buildings and signed new contracts for high-quality projects such as the China Development Bank Tower, the office buildings of Ministry of Culture and Tourism, the office building of Zhong She Group* (中設集團) in Beijing and the office building of China Drawnwork Group* (中國抽紗集團) and the International Convention and Exhibition Center in Heping District, Shenyang. As of 31 December 2020, the GFA of commercial and office buildings under management of the Group was approximately 11.3 million sq.m. For the year ended 31 December 2020, revenue from property management services for commercial and office buildings amounted to approximately RMB695.3 million, representing an increase of approximately 39.4% as compared to the corresponding period of 2019.

For public and other properties, the Group has established the property service brand of "Towns Revitalisation". We are helping to push forward basic social governance by developing a wide range of businesses in cities and urban areas. As a pioneer in the public service sector, the Group continued to expand its footprints nationwide through various types of business coverage, including higher education and teaching and research properties, towns and scenic areas, government office buildings, urban public facilities and railways and transportation properties, with focus gradually shifted to three major business types, namely higher education and teaching and research properties, railways and transportation properties, and towns and scenic areas. As of 31 December 2020, the Group had 393 projects under management, representing an increase of 127 projects as compared to the end of 2019, with the GFA under management of approximately 201.3 million sq.m., among which 212 projects, accounting for over 50%, were projects under management from the three major business types. For the year ended 31 December 2020, the Group's revenue from public and other properties amounted to approximately RMB804.0 million, representing an increase of 67.2% as compared to the corresponding period in 2019 and accounting for approximately 16.2% of the total revenue from property management services, which reflected an increase of approximately 3.7 percentage points in its proportion in revenue as compared to the corresponding period of 2019. During the year, the Group's newly signed projects included the Xidong New City Territorial Management Project in Wuxi City (無錫市錫東新城全域化管理項目), Adou Village Scenic Area in Henan Province (河南省阿斗寨景區), the on-train cleaning service on the high-speed railway trains at Xiamen North Station (廈門北站高鐵動車組隨車保潔), Line 1 of the Xi'an Metro (西安市軌道交通一號線), Hunan Radio and Television University (湖南廣播電視大學) and National Agricultural Exhibition Center (全國農業展覽館).

The Group actively explored into the industry of integrated environmental sanitation services and extended its industrial chain in urban services while promoting synergies among businesses. During the year, we successfully signed contracts for and have undertaken environmental sanitation projects in Jianxi District of Luoyang City, Nansha District of Guangzhou City and Pulandian District of Dalian City.

The Group was making progress in promoting a system that offers standardised services to improve its service quality. We have compiled manuals on standardised services for the town areas, scenic areas, rail transport, highway service areas, industrial parks and campus, etc. As we kept regulating operational procedures and service standards, we standardised our service quality, thereby enhancing our quality of service. We have implemented a product and service portfolio that focuses on gridded governance, integrated municipal services, one-stop urban renewal, intelligent livelihood supporting service and customised business empowerment, such that whole-process solutions were available for government's basic social governance. In December 2020, the Group successfully held the 3rd Social Governance and Collaborative Innovation China Mayor Forum* (第三屆社會治理與協同創新中國鎮長論壇) in Wuxi City, Jiangsu Province, at which we conducted in-depth discussions with hundreds of town mayors and experts on the new ideology of basic social governance and actively promoted the urban governance experience.

Average property management fee per unit

Through raising the pricing standard of new projects and prices of some existing projects under management, the average property management fee per unit of the Group continued to increase.

The following table sets out the average property management fee per unit of residential communities and commercial and office buildings for the periods indicated:

	Year ended 31 December		
	2020	2019	Changes
	(RMB/sq. m./month)		*(RMB)*
Residential communities	**2.23**	2.21	Increase of 0.02
– Poly Developments and Holdings Group	**2.30**	2.28	Increase of 0.02
– Third parties	**1.78**	1.68	Increase of 0.10
Commercial and office buildings	**7.83**	7.10	Increase of 0.73
– Poly Developments and Holdings Group	**8.98**	8.09	Increase of 0.89
– Third parties	**5.91**	4.31	Increase of 1.60

Value-added services to non-property owners – representing approximately 16.7% of the total revenue

The Group provides value-added services to non-property owners (mainly property developers), including (i) pre-delivery services to property developers to assist with their sales and marketing activities at property sales venues and display units, mainly including visitor reception, cleaning, security inspection and maintenance; and (ii) other value-added services to non-property owners, such as consultancy, inspection, delivery and commercial operation services.

The following table sets out a breakdown of the Group's revenue from value-added services to non-property owners by service type for the periods indicated:

	Year ended 31 December			
Service Type	**2020**		2019	
		Percentage of revenue		*Percentage of revenue*
	RMB'000	*%*	*RMB'000*	*%*
Pre-delivery services	**953,684**	**71.1**	783,334	80.9
Other value-added services to non-property owners	**387,567**	**28.9**	185,418	19.1
Total	**1,341,251**	**100.0**	968,752	100.0

The Group's revenue from value-added services to non-property owners for the year ended 31 December 2020 was approximately RMB1,341.3 million, representing an increase of approximately 38.5% as compared to the corresponding period of 2019, which was mainly due to (i) an increase in the number of projects provided with pre-delivery services from the Group; and (ii) the rapid growth of other value-added services to non-property owners from the Group.

Community value-added services – representing approximately 21.7% of the total revenue

The Group pays close attention to the diverse needs of property owners in residential communities and is dedicated to building up an well-established community value-added service ecosystem by connecting both internal and external premium resources, so that property owners can enjoy premium and convenient community services and products at bargain prices and an exquisite living experience. For the year ended 31 December 2020, the Group's revenue from community value-added services amounted to approximately RMB1,748.3 million, representing a rapid growth of approximately 51.5% compared to the corresponding period of last year. This was mainly attributable to (i) the expansion of management scale and increase in number of service users of the Group as well as the provision of a wide range of community convenience services to property owners attributable to customer loyalty arising from our high-quality basic property management services; (ii) the service capacity of vertical businesses, including move-in and furnishing services, community retail, community media and housekeeping services, was enhanced as we could get more resources from the supply chain and our operation became more well-established; and (iii) our provision of livelihood supporting services to property owners in our residential communities across the country, including the provision of direct delivery of vegetables and fresh produce to residential communities and anti-pandemic and disinfection services during the pandemic.

In the field of vertical services, the Group continued to enhance its business model, expand the resources obtained from suppliers and consolidated its operational capabilities around its core businesses. By introducing national and regional high-quality brands and service providers and diversifying what we can obtain from suppliers, we have a more comprehensive and enhanced supplier system in place to meet the needs of customers of different types with different tastes. By reinforcing our operation of vertical business, we had stronger operation nationwide with extended business coverage and greater ability in business infiltration. By gradually establishing the "Heyuan Youpin" (和院優品) online shop and a multi-dimensional marketing channel which integrates online and offline experience, we built a route to customers with higher reachability. By strengthening follow-up services with property owners and paying attention to customers' feedback in a timely manner, we could exert greater control over after-sale services to promote a virtuous business cycle.

Move-in and furnishing services: realising approximately RMB405.1 million in revenue, accounting for approximately 23.2% of the total revenue from community value-added services

Being user-driven at its core and enabled by technology, our move-in and furnishing services reconstruct the chain of channels of pan-home products and services and aim at providing a full coverage housing solution from design, installation, delivery to repair and maintenance, with a focus on three major service scopes, namely decoration of furnished houses, house renovation and smart home services.

Community retail: realising approximately RMB385.4 million in revenue, accounting for approximately 22.0% of the total revenue from community value-added services

Community retail offers value-for-money products to property owners for their selection through different ways such as direct supply, centralised procurement and prepositioned warehouses. We have optimised our product supply chains and delivery capabilities through mutual access of online and offline resources in order to provide property owners with a cost-effective shopping experience.

Parking lot management services: realising approximately RMB239.7 million in revenue, accounting for approximately 13.7% of the total revenue from community value-added services

Parking lot management services aim at providing operation solutions targeting order management and control, operation and development and toll management with reference to a thorough combination of distinctive factors in relation to the carparks, including facilities, geographical location, distribution of carpark spaces and customer demands. Smart parking system and smart equipment have been actively utilised to reduce labour inputs and costs and enhance efficiency.

Community media: realising approximately RMB89.8 million in revenue, accounting for approximately 5.1% of the total revenue from community value-added services

Community media services strive to explore the value of community spaces and develop the value chain of operating multi-dimensional media. We have profoundly developed the resources of our projects under management and increased the coverage of our community media spots with a special focus on core areas such as elevators and carparks to actively integrate the resources of suppliers.

Community space management: realising approximately RMB124.9 million in revenue, accounting for approximately 7.1% of the total revenue from community value-added services

Our community space management provided services such as venue rental, courier service, charging service, sharing service and recycling service by optimizing the usage of public resources.

Community convenience and other services: realising approximately RMB503.4 million in revenue, accounting for approximately 28.9% of the total revenue from community value-added services

We provided diversified convenience and living services according to the needs of property owners, including home cleaning, housekeeping and maintenance, home-based nursing, babysitting and postpartum doulas, theme-based education and realtor services as well as property-specific services such as garbage cleaning and moving.

Future Development

As a “national force in the age of Comprehensive Property”, Poly Property will adhere to its own strategic determination and its idea to expand its business, and will step up every effort to consolidate its ability in operational management. In addition, Poly Property will also expand its investment in digital and intelligent technologies, and build up a platform for Comprehensive Property-specific services and resources that could enjoy synergy and win-win cooperation, striving to develop into the first choice of government, enterprises and residents in residential communities when selecting a service provider.

First, concentrating on the goal of development and continuing to enhance its business expansion.

Under the guidance of the strategy of “Comprehensive Property”, we will consolidate and expand our leading position in the market through a variety of ways that help achieve high-quality expansion of scale. We will continue to enhance our ability in expansion through comprehensive engagement cooperation approach, and consolidating its presence in core regions and core business types, while speeding up its market expansion and developing its layout for Comprehensive Property leveraging our all-round product offerings, reliable service quality and strong brand influence. We will also make good use of resources and advantages obtained in the capacity of a central enterprise and engage in forming joint ventures or cooperation so that we can explore the demand for integrated logistics services of sizeable state-owned enterprises and local state-owned enterprises, thereby seizing the opportunities from the development of logistics services in the society. Apart from that, we will highlight the strategic function of investments and acquisitions in our development in industries, adhere to our strategies and keep abreast of any opportunities of acquiring quality assets, while further strengthening the density of our projects in core regions and build a professional management platform by business types with our base set up in premium regions and premium business types.

We will explore various needs for service in different scenarios and create a full-value value-added service ecosystem. We will focus on the needs from daily life of property owners in communities and step up efforts in industries such as “move-in and furnishing, retailing, housekeeping and media” and build a multi-dimensional marketing channel which integrates online and offline experience. Apart from that, we will expand our scope of offerings to property owners in communities, increase our market penetration and loyalty of property owners in communities for our services, with the aim to satisfy the demand for good living with premium resources. We will tap into the potentials of further venturing into businesses such as public service as well as commercial and office buildings by taking account of value-added industry models for the above businesses.

Secondly, focusing on refined operations and organizational restructuring to enhance quality and increase efficiency in all dimensions.

We will continue to conduct studies on the most trivial service scenarios, and update our systems for standardised service on businesses such as residential buildings, commercial and office buildings and public services, while keep improving our system of operation to ensure that our operation quality is stable, widely applicable to various situations and keep being optimised. We will carry out organisational restructuring and optimisation in order to create a flatter, more efficient and professional organisation, and take actions to seize the opportunities coming along with the SASAC's Double Hundred Enterprises Pilot Project* (國資委雙百企業試點). In addition, we manage to improve our medium- and long-term incentive mechanisms and improve the appraisal and incentives in place for all levels of employees, such that we can keep propelling our momentum from within for further development.

Thirdly, speeding up our process of digitalization and investing more in information technology and intelligent development.

In the future, we will holistically accelerate digitalization in four major areas, namely internal control system, project management, smart community and value-added services, while facilitating refined operations, cost reduction and efficiency enhancement, quality improvement and model innovation with the use of technology. We will speed up the upgrade of our internal control system for building up technological support of refined operations. We will also continue to enhance our project management system specialised for the entire lifecycle of a project and take initiative to explore the application of Internet of Things and big data technologies in communities, office and scenarios of urban services so that the quality, readiness and accessibility of our services can be improved. In addition, we will expedite our construction of an offline and online integration platform for various daily life-related services to offer property owners and customers with more convenient and top-notch services.

FINANCIAL REVIEW

Revenue

The Group derives revenue from three main business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

The following table sets out a breakdown of the revenue by business line for the periods indicated:

	Year ended 31 December				
	2020		2019		
		Percentage of revenue		Percentage of revenue	Growth rate
	RMB'000	*%*	*RMB'000*	*%*	*%*
Property management services	**4,947,555**	**61.6**	3,843,828	64.4	28.7
Value-added services to non-property owners	**1,341,251**	**16.7**	968,752	16.2	38.5
Community value-added services	**1,748,350**	**21.7**	1,154,256	19.4	51.5
Total	**8,037,156**	**100.0**	5,966,836	100.0	34.7

For the year ended 31 December 2020, the total revenue of the Group amounted to approximately RMB8,037.2 million (2019: approximately RMB5,966.8 million), representing an increase of approximately 34.7% as compared to the corresponding period of 2019. It was mainly due to: (i) an increase in revenue driven by the continuous increase in the management scale of the Group; and (ii) rapid development of value-added services of the Group during the year.

Cost of services

During the year, the cost of services of the Group amounted to approximately RMB6,538.1 million (2019: approximately RMB4,756.1 million), representing an increase of approximately 37.5% as compared to the corresponding period of 2019. The increase in the cost of services was mainly due to (i) the corresponding increase in staff costs and subcontracting costs as a result of an increase of the GFA under management and number of projects under management of the Group; and (ii) the corresponding increase in raw material costs arising from faster growth in value-added services such as move-in and furnishing services and community retail services.

Gross profit and gross profit margin

The following table sets out a breakdown of the Group's gross profit and gross profit margin by business line for the periods indicated:

	Year ended 31 December					
	2020			2019		
	Gross profit *(RMB'000)*	**Percentage of gross profit** %	**Gross profit margin** %	Gross profit *(RMB'000)*	Percentage of gross profit %	Gross profit margin %
Property management services	**700,496**	**46.7**	**14.2**	544,233	45.0	14.2
Value-added services to non-property owners	**269,394**	**18.0**	**20.1**	196,535	16.2	20.3
Community value-added services	**529,171**	**35.3**	**30.3**	469,953	38.8	40.7
Total	**1,499,061**	**100.0**	**18.7**	1,210,721	100.0	20.3

For the year ended 31 December 2020, the Group's gross profit was approximately RMB1,499.1 million, representing an increase of approximately 23.8% as compared to approximately RMB1,210.7 million of the corresponding period of 2019. The Group's gross profit margin decreased to approximately 18.7% from approximately 20.3% for the corresponding period in 2019.

For the year ended 31 December 2020, the Group's gross profit margin for property management services remained stable and recorded at approximately 14.2% (2019: approximately 14.2%).

The Group's gross profit margin for value-added services to non-property owners slightly reduced to approximately 20.1% (2019: approximately 20.3%).

The Group's gross profit margin for community value-added services was approximately 30.3% (2019: approximately 40.7%), representing a decrease of approximately 10.4 percentage points as compared to the corresponding period of 2019, which was primarily due to the fact that (i) expansion of some of the home-entry value-added services, community media and community space businesses were restricted due to the impact of the pandemic in the first half of the year; and (ii) businesses which were in their ramp-up period such as move-in and furnishing and community retail enjoyed rapid growth and boosted up their share in revenue.

Administrative expenses

For the year ended 31 December 2020, the total administrative expenses of the Group was approximately RMB769.7 million, representing an increase of approximately 35.4% as compared to approximately RMB568.6 million for the year ended 31 December 2019. Such increase was primarily due to (i) an increase in the remuneration and benefits attributable to additional employees and related expenses as a result of Group's fast business growth as compared to the corresponding period in 2019; and (ii) the increase in housing rental and other expenses as a result of the expansion of the scale of the Group. The administrative expenses of the Group accounted for approximately 9.6% (2019: approximately 9.5%) of the total revenue, which was stable as compared to the corresponding period of 2019.

Other income and other net gain

For the year ended 31 December 2020, other income and other net gain was approximately RMB210.5 million, representing an increase of approximately 510.1% as compared to approximately RMB34.5 million for the year ended 31 December 2019. Such increase was primarily due to (i) an increase in interest income and government grants; and (ii) the net exchange gain recognised in respect of changes in foreign exchange rates.

Profit for the year

For the year ended 31 December 2020, the profit for the year of the Group was approximately RMB696.1 million, representing an increase of approximately 38.3% as compared to approximately RMB503.2 million of the corresponding period of 2019. The profit attributable to owners of the Company was approximately RMB673.5 million, representing an increase of approximately 37.3% as compared to approximately RMB490.5 million of the corresponding period of 2019. The net profit margin was approximately 8.7%, representing an increase of approximately 0.3 percentage points as compared to approximately 8.4% of 2019.

Current assets, reserves and capital structure

For the year ended 31 December 2020, the Group maintained a sound financial position. As at 31 December 2020, the current assets amounted to approximately RMB8,898.7 million, representing an increase of approximately 21.8% as compared to approximately RMB7,303.3 million as at 31 December 2019. Cash and cash equivalents of the Group as at 31 December 2020 amounted to approximately RMB7,448.1 million, representing an increase of approximately 14.4% as compared to approximately RMB6,508.6 million as at 31 December 2019, primarily arising from the increase in proceeds from the over-allotment of H shares and the Group's continuously increasing net operating cash inflows. As of 31 December 2020, the Company's gearing ratio was 33.9%, representing an increase of approximately 1.6 percentage points from 32.3% as of 31 December 2019.

As at 31 December 2020, the Group's total equity was approximately RMB6,246.8 million, representing an increase of approximately RMB1,124.6 million or approximately 22.0% as compared to approximately RMB5,122.2 million as at 31 December 2019, which was primarily due to the increase in Company's equity as a result of the funds raised from the over-allotment and the contributions of the realised profits in the current year.

Property, plant and equipment

The Group's property, plant and equipment primarily included self-use right-of-use assets, buildings, leasehold improvements, computer equipments, electronic equipments, transportation equipments, furniture and equipments. As at 31 December 2020, the Group's property, plant and equipment amounted to approximately RMB161.8 million, representing an increase of approximately RMB62.8 million as compared to approximately RMB99.0 million as at 31 December 2019, which was primarily due to the purchase of electronic equipments for office use and the increase in leasehold improvements and right-of-use assets for the purpose of the Group's business operations.

Leased assets and investment properties

The Group's leased assets and investment properties mainly comprise leased assets and carpark space and clubhouses. As at 31 December 2020, the Group's leased assets and investment properties amounted to approximately RMB180.4 million, representing an increase of approximately RMB164.9 million as compared to approximately RMB15.5 million as at 31 December 2019, which was mainly attributable to the fact that the Group leases office premises and leases them out under operating lease arrangements, resulting in the net right-of-use assets being classified as investment properties.

Intangible assets

The Group's intangible assets primarily included property management contracts and goodwill obtained from a business combination. As at 31 December 2020, the Group's intangible assets amounted to approximately RMB136.1 million, representing an increase of approximately RMB40.4 million as compared to approximately RMB95.7 million as at 31 December 2019, which was primarily due to (i) an increase in the amount of goodwill and property management contracts as the Group acquired 80% equity interest in Vastrong Property at a consideration of approximately RMB81.04 million in 2020; and (ii) offset by a decrease in intangible assets due to amortisation of property management contracts.

Trade and bills receivables

As at 31 December 2020, trade and bills receivables amounted to approximately RMB888.1 million, representing an increase of approximately RMB496.7 million as compared to approximately RMB391.4 million as at 31 December 2019, which was primarily due to (i) the increase in trade receivables from third parties as a result of the expansion of the GFA under management of the Group and the increase in the number of projects; and (ii) an increase in trade receivables from related parties as a result of the increase in the scale of revenue with related parties.

Trade payables

As at 31 December 2020, the trade payables amounted to approximately RMB397.1 million, representing an increase of approximately 56.7% as compared to approximately RMB253.4 million as at 31 December 2019, which was primarily due to the expansion of the Group's GFA under management and the increasing scale in subcontracting to independent third-party service providers.

Borrowings

As at 31 December 2020, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

As at 31 December 2020, the Group had no pledge of assets.

MAJOR INVESTMENT, ACQUISITION AND DISPOSAL

The Group had no major investment, acquisition and disposal for the year ended 31 December 2020.

PROCEEDS FROM THE LISTING

The H shares of the Company (the "**H Shares**") were successfully listed on the Stock Exchange on 19 December 2019 with 133,333,400 new H Shares issued and, upon the exercise of the over-allotment option in full, 153,333,400 H Shares were issued in aggregate. Net proceeds from the listing amounted to approximately HK$5,218.2 million after deducting the underwriting fees and relevant expenses. As of 31 December 2020, the Group has used approximately HK$76.2 million of the proceeds. Such proceeds utilised were allocated and used in accordance with the usage of proceeds as set out in the prospectus of the Company dated 9 December 2019 (the "**Prospectus**"). The unutilised net proceeds are approximately HK$5,142.0 million, which will be allocated and used in accordance with the purposes and proportions as set out in the Prospectus. Details of the specific use are as follows:

Planned use of the net proceeds as stated in the Prospectus	**Percentage of net proceeds**	**Net proceeds for planned use**	**Net proceeds actually utilised as of 31 December 2020**	**Net proceeds unutilised as of 31 December 2020**	**Expected timetable for the usage of the unutilised net proceeds as of 31 December 2020**
		HK$ in millions	*HK$ in millions*	*HK$ in millions*	
To pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of the Group's property management business	57.0%	2,974.4	70.1	2,904.3	On or before 31 December 2022
Including: investment matters such as joint investment and cooperation in respect of public services property management	7.4%	386.1	70.1	316.0	On or before 31 December 2022
To further develop the Group's value-added services	15%	782.7	0	782.7	On or before 31 December 2022
To upgrade the Group's systems for digitisation and smart management	18%	939.3	3.3	936.0	On or before 31 December 2022
Including: establishment of unified smart carpark system	2.8%	146.1	1.4	144.7	On or before 31 December 2022
establishment and development of internal information sharing platform and database	2.6%	135.7	1.9	133.8	On or before 31 December 2022
Working capital and general corporate purpose	10%	521.8	2.8	519.0	N/A
Total	100%	5,218.2	76.2	5,142.0	

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE RISK

The Group conducts its business in Renminbi. Except for the bank deposits and payables denominated in foreign currencies, the Group was not subject to any significant risk relating to foreign exchange fluctuation. The management will continue to keep track of the foreign exchange risk and take prudent measures to mitigate foreign exchange risk.

SUBSEQUENT EVENTS

After 31 December 2020 and up to the date of this announcement, the Group did not have any subsequent events.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 44,351 employees (as at 31 December 2019: 38,774 employees). For the year ended 31 December 2020, the total staff costs were approximately RMB3,526.7 million.

The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions in order to encourage value creation of employees. Also, the Group provides employees with employee benefits including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund.

EMPLOYEE TRAINING AND DEVELOPMENT

The Group places a strong emphasis on recruiting high-quality personnel and provides employees with continuous training programmes and career development opportunities. Through the creation of five key talent teams supply chain, including senior management, project managers, project junior staff, staff from campus recruitment and professionals, we manage to provide comprehensive job training for our employees. For instance, "Galaxy Commanders" is a talent programme for leadership development of senior management in the headquarter and regional offices. "Galaxy Operation Officers" is a programme for development of project managers which is established based on the Company's strategies and business needs, such that a training mechanism of talents that can fit for the critical positions of a project can be established. During the outbreak of the pandemic, we took actions to respond to the policies that safeguard job stability. Through four recruitment campaigns, namely "Green Channel", "Commander Programme", "Companion Programme", and "Heartwarming Journey", the Group recruited for various professional management positions and project management positions across the country. The Group innovated the form of campus recruitment by launching the recruitment live broadcast activities including CCTV Video APP's "National Recruitment Action" and GMW.cn's "2020 Guangming Live Broadcast for Enterprises' Campus Recruitment", to provide more jobs for the society.

ANNUAL DIVIDEND

The Board proposed the distribution of an annual dividend of RMB0.43 per share (tax inclusive) for the year ended 31 December 2020 with a proposed dividend payout ratio of approximately 35.3%. The dividend distribution plan shall be subject to the approval of the shareholders of the Company at the annual general meeting to be held on 28 May 2021 (the "**2020 AGM**") and is expected to be paid on or before 23 July 2021. The proposed annual dividend will be declared in Renminbi and paid in Hong Kong dollars (for H Shares) and Renminbi (for domestic shares), the exchange rate of which will be calculated based on the average exchange rate of Renminbi against Hong Kong dollars published by the People's Bank of China five business days prior to the 2020 AGM.

NOTICE OF ANNUAL GENERAL MEETING

The 2020 AGM will be held on Friday, 28 May 2021. Notice of the 2020 AGM will be published on the designated website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.polywuye.com and will be dispatched to the Shareholders in due course and in such manner as required under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the 2020 AGM (and any adjourned meeting thereof), the register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of the Shares will be registered. In order for the H Shareholders to qualify for attending and voting at the 2020 AGM, all properly completed share transfer forms together with the relevant H Share certificates shall be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 May 2021.

REVIEW OF ACCOUNTS

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in accordance with Appendix 14 to the Listing Rules. The Audit Committee is delegated by the Board and is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assisting the Board to fulfill its responsibility over the audit of the Group.

The Audit Committee comprises Mr. Liu Ping and Mr. Hu Zaixin as non-executive Directors and Ms. Tan Yan, Mr. Wang Xiaojun and Mr. Wang Peng as independent non-executive Directors. Ms. Tan Yan is the chairlady of the Audit Committee.

The Audit Committee had reviewed the audited consolidated financial statements and annual results of the Group for the year ended 31 December 2020, and discussed with the management of the Group regarding the accounting principles and practices adopted by the Group, and the internal controls and financial reporting matters.

SCOPE OF WORK OF BDO LIMITED

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted code provisions in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "**Corporate Governance Code**") as its own code of corporate governance. The Company complied with all the applicable code provisions of the Corporate Governance Code for the year ended 31 December 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding dealing of securities transactions by the Directors and supervisors of the Company. Having made specific enquiries of all Directors and supervisors of the Company, they have confirmed that they have complied with the required standard as set out in the Model Code for the year ended 31 December 2020.

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

The over-allotment option was exercised in full on 10 January 2020, and the Company issued a total of 20,000,000 new H Shares of par value of RMB1.00 each at HK$35.10 per share on 17 January 2020. After the issue of the new H Shares, the total number of the shares of the Company was 553,333,400, comprising 400,000,000 domestic shares and 153,333,400 H Shares.

Save as disclosed above, for the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

According to published information and Directors' knowledge, for the year ended 31 December 2020 and as at date of this announcement, the Company maintained sufficient public float in compliance with the Listing Rules.

PUBLICATION OF ANNOUNCEMENT OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the designated website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.polywuye.com. The annual report of the Company for the year ended 31 December 2020 containing all the information required under the Listing Rules will be despatched to the Shareholders and made available on the above websites in due course.

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

Guangzhou, China, 24 March 2021

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

* *For identification purposes only*