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POLY PROPERTY SERVICES CO., LTD.

保利物業服務股份有限公司

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

(Stock Code: 06049)

INITIAL GRANT UNDER THE RESTRICTED SHARE INCENTIVE SCHEME

References are made to the announcements and circular of Poly Property Services Co., Ltd. (the “**Company**”) dated 15 November 2021, 16 December 2021, 10 January 2022, 26 January 2022, 28 January 2022 and 31 January 2022 as well as the poll results of the extraordinary general meeting dated 18 February 2022 (the “**Relevant Disclosures of the Restricted Share Incentive Scheme**”), in relation to, among other things, (i) the adoption of the First Phase Restricted Share Incentive Scheme of the Company (the “**Scheme**”); (ii) the Initial Grant Proposal; (iii) the authorisation to the Board to implement relevant matters of the Scheme; and (iv) the Administrative Measures for the Scheme and the Appraisal Measures for Implementation of the Scheme. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Relevant Disclosures of the Restricted Share Incentive Scheme.

I. BACKGROUND

As (i) the Scheme and the Initial Grant Proposal have been approved by the SASAC and at the EGM; (ii) the performance of the Company for the year 2020 has fulfilled the conditions of the initial grant (the “**Initial Grant**”) and under no circumstances prescribed in the Initial Grant Proposal shall the Initial Grant Proposal be terminated; and (iii) according to the relevant measures for performance appraisal of the Company, the individual performance appraisal results of all the Scheme Participants for the year 2020 are pass or above, and under no circumstance prescribed in the Initial Grant Proposal shall any Scheme Participant not participate in the Scheme, the Board considers that the grant conditions under the Scheme and Initial Grant are fulfilled.

II. INITIAL GRANT

On 26 April 2022, the Board has resolved to implement the Initial Grant. The Restricted Shares under the Initial Grant will be granted in two tranches where the first tranche of Restricted Shares will be granted on the date of approving the Initial Grant by the Board (the “**First Tranche of Grant**”) and the reserved Restricted Shares (the “**Reserved Restricted Shares**”) will be granted in the second tranche (the “**Second Tranche of Grant**”).

Details of the Initial Grant are as follows:

Grant Date

The Grant Date of the First Tranche of Grant is 26 April 2022.

The Board will determine the Grant Date of the Second Tranche of Grant as and when appropriate. In principle, the Reserved Restricted Shares shall be granted within 12 months from the approval of the Initial Grant Proposal by the EGM.

Number of Restricted Shares

The total number of Restricted Shares to be granted to the Scheme Participants under the Initial Grant is 5,533,200 Shares, representing approximately 1.00% of the total issued share capital of the Company as at the date of this announcement, among which, (i) 4,654,200 Shares are granted as the First Tranche of Grant, representing approximately 84.11% of the total number of Shares under the Initial Grant and approximately 0.84% of the total issued share capital of the Company as at the date of this announcement; and (ii) 879,000 Shares are reserved for the Second Tranche of Grant, representing approximately 15.89% of the total number of Shares under the Initial Grant and approximately 0.16% of the total issued share capital of the Company as at the date of this announcement.

Scheme Participants

The number of Restricted Shares granted to the Scheme Participants is determined with reference to the total number of Restricted Shares that may be granted as well as the Scheme Participants’ respective position and rank in the Company. The Scheme Participants under the Initial Grant will be divided into two tranches, including those who participate in the First Tranche of Grant and those who will participate in the Second Tranche of Grant, respectively.

For reasons such as change of position for certain employees, the total number of Scheme Participants under the First Tranche of Grant amended from 193, which was approved at the EGM, to 181. Those Scheme Participants include Ms. Wu Lanyu, a director of the Company (granted with 116,800 Shares), six senior management members (granted with 403,200 Shares in total) and 174 cadre of management and technical personnel who have direct impact on the overall performance and sustainable development of the Company (granted with 4,134,200 Shares in total).

The Scheme Participants under the Second Tranche of Grant will be determined by the Board based on the circumstances of the relevant personnel. The Scheme Participants under the two tranches mentioned above are mutually exclusive.

Grant Price

The Grant Price of the Restricted Shares granted under the Initial Grant (for both the First Tranche of Grant and Second Tranche of Grant) is HK\$25.71 per Restricted Share, which equals the higher of (i) 50% of the reference price; or (ii) the audited net assets per share (being RMB12.45).

The reference price is the higher of:

- (i) HK\$50.65, being the closing price of the H Shares on the Stock Exchange on 26 April 2022;
- (ii) HK\$51.42, being the average closing price of H Shares for the five trading days immediately preceding 26 April 2022 as quoted on the Stock Exchange; and
- (iii) the nominal value of Shares of the Company.

The Grant Price of the Second Tranche of Grant shall be the same as the Grant Price of the First Tranche of Grant.

Lock-up Period, Unlocking Period and Unlocking Arrangement

For details of the Lock-up Period, Unlocking Period and unlocking arrangement, please refer to the Relevant Disclosures of the Restricted Share Incentive Scheme published previously.

III. IMPLICATION OF LISTING RULES

The Restricted Share Incentive Scheme is a discretionary scheme of the Company and does not constitute a share option scheme under Chapter 17 of the Listing Rules.

The operation of the Scheme will comply with the applicable requirements under the Listing Rules. In particular:

Chapter 14A of the Listing Rules

Since the Scheme Participants include connected persons of the Company and the connected persons' aggregate interest in the Scheme as Scheme Participants is less than 30% (i.e., the trust will be an employee's share scheme established for a wide scope of participants and the connected persons' aggregated interest in the Scheme are less than 30%), the Trustee does not constitute a connected person of the Company as contemplated under Rule 14A.12(1)(b) of the Listing Rules. In addition, the grant of Restricted Shares to the connected persons of the Company will constitute a connected transaction under Chapter 14A of the Listing Rules, and the Company will comply with such requirements (if applicable).

Except for Ms. Wu Lanyu, no other Scheme Participants are connected persons of the Company. The grant of Restricted Shares to Ms. Wu Lanyu, a Director, was conducted on normal commercial terms or better and all the applicable percentage ratios are less than 0.1%, which is exempt from reporting, announcement and independent Shareholders' approval requirements according to Rule 14A.76 of the Listing Rules.

Appendix 10 to the Listing Rules (Model Code)

In accordance with Rule A.3 of the Model Code, the Company will not grant any Restricted Share to any Scheme Participant or instruct the Trustee to purchase H Shares during the prohibition period of dealing. In addition, the Company will not grant any Restricted Share at any time to any Scheme Participant who is a Director or an employee of the Company or director or employee of a subsidiary company and in possession of unpublished inside information.

Ms. Wu Lanyu, a Director, abstained from voting on the relevant Board resolution(s) by virtue of being a Scheme Participant under the Initial Grant. Save as disclosed above, no other Directors have any interest in the Initial Grant and shall abstain from voting on relevant resolutions at the Board meeting.

The Directors (including independent non-executive Directors) confirm that the Initial Grant is fair and reasonable, and is in the interest of the Company and the Shareholders as a whole.

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

Guangzhou, the PRC, 26 April 2022

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