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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)**

## **REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTION**

### **REVISION OF THE ORIGINAL ANNUAL CAPS**

Reference is made to the Previous Announcement of the Company dated 3 November 2023 in relation to, among others, the 2024-2026 Products and Services Procurement Framework Agreement entered between the Company and Poly Developments and Holdings.

As the Group has continued to deepened its cooperation with Poly Developments and Holdings and its associates in sourcing competitive products and industrial resources to promote information technology construction and operational development of the Group's daily businesses, the Group expects that the Original Annual Caps under the 2024-2026 Products and Services Procurement Framework Agreement will not be sufficient to meet the demand for business development. As such, on 26 March 2024, the Board resolved to revise the Original Annual Caps. Save for the revision of the Original Annual Caps, all the terms of the 2024-2026 Products and Services Procurement Framework Agreement as disclosed in the Previous Announcement remain unchanged.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Poly Developments and Holdings is interested in an aggregate of 72.289% of the total issued share capital of the Company and is a controlling shareholder of the Company, and thus a connected person of the Company under the Listing Rules. As such, pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the applicable announcement requirement under Chapter 14A of the Listing Rules in respect of the revision of the Original Annual Caps.

As the highest applicable percentage ratio in respect of the Revised Annual Caps is more than 0.1% but less than 5%, the Revised Annual Caps are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **1. BACKGROUND**

Reference is made to the Previous Announcement of the Company dated 3 November 2023 in relation to, among others, the 2024-2026 Products and Services Procurement Framework Agreement entered between the Company and Poly Developments and Holdings, pursuant to which the Group may procure various types of products and services from Poly Developments and Holdings Group subject to the Original Annual Caps for the period between 1 January 2024 and 31 December 2026, including but not limited to hardware procurement and maintenance services and other products and services supporting the daily operation of the Group.

On 26 March 2024, the Board resolved to revise the Original Annual Caps. Save for the revision of the Original Annual Caps, all the terms of the 2024-2026 Products and Services Procurement Framework Agreement as disclosed in the Previous Announcement remain unchanged.

## **2. 2024-2026 PRODUCTS AND SERVICES PROCUREMENT FRAMEWORK AGREEMENT**

### *(a) Principal terms and pricing policy*

The principal terms and pricing policy of the 2024-2026 Products and Services Procurement Framework Agreement remain unchanged. For details, please refer to the sections “Principal Terms” and “Pricing Policy” in relation to the 2024-2026 Products and Services Procurement Framework Agreement in the Previous Announcement.

Based on the principles under the 2024-2026 Products and Services Procurement Framework Agreement, the relevant subsidiaries and associates of the Company and Poly Developments and Holdings will enter into separate products and services procurement agreements which shall set out the specific terms and conditions. The Group shall make reference to the fees charged by at least two other Independent Third Parties for similar goods and services provided to the Group (if any), and the relevant transactions shall be conducted based on normal commercial terms.

*(b) Historical transaction amounts*

For each of the three years ended 31 December 2021, 2022 and 2023, the historical transaction amounts paid by the Group to Poly Developments and Holdings Group in respect of the hardware procurement and maintenance services under the 2021-2023 Hardware Procurement and Maintenance Services Framework Agreement<sup>Note</sup> were RMB1.8 million, RMB0.3 million and RMB0.3 million, respectively.

*Note:* Since 1 January 2024, the 2021-2023 Hardware Procurement and Maintenance Services Framework Agreement was replaced by the 2024-2026 Products and Services Procurement Framework Agreement.

*(c) Original Annual Caps and Revised Annual Caps*

The table below sets out the Original Annual Caps and Revised Annual Caps for the transactions contemplated under the 2024-2026 Products and Services Procurement Framework Agreement:

	<b>For the year ended 31 December</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Products and services procurement			
– Original Annual Caps	60.0	66.0	73.0
– Revised Annual Caps	250.0	325.0	423.0

*(d) Basis of determination of the Revised Annual Caps*

The Revised Annual Caps are determined after consideration of the following factors:

- (i) for the factors considered in determining the Original Annual Caps, please refer to the section “Proposed Annual Caps and Basis of Determination” in relation to the 2024-2026 Products and Services Procurement Framework Agreement in the Previous Announcement for details;
- (ii) from 1 January 2024 to the date of this announcement, the transaction amount actually incurred under the 2024-2026 Products and Services Procurement Framework Agreement has already exceeded 50% of the Original Annual Caps for 2024. It is expected that the Original Annual Caps will not be sufficient to meet the demand for business development; and

(iii) following the steady growth of the Group in the scale of property management projects and in the number of property owners and customers served, the investment in information technology and procurement of products and services of the Group will increase simultaneously. In order to give full play to the competitiveness of the resources of Poly Developments and Holdings and its associates, the Group expects the transaction amounts of products and services procurement with Poly Developments and Holdings Group will grow steadily at a compound annual growth rate of approximately 30% over the three years from year 2024 to year 2026.

The Board confirms that as at the date of this announcement, the transaction amount under the 2024-2026 Products and Services Procurement Framework Agreement does not exceed the Original Annual Cap for the year ending 31 December 2024.

### **3. REASONS FOR AND BENEFITS OF THE REVISION OF THE ORIGINAL ANNUAL CAPS**

The Group will further leverage the competitiveness of the products and resources of Poly Developments and Holdings and its associates, enhance information technology construction continuously, expand and deploy in diversified business portfolio including community value-added services persistently, and grasp the market opportunities proactively to satisfy the daily needs of the Group and its customers. The revision of the annual caps of the 2024-2026 Products and Services Procurement Framework Agreement will help the Group to enrich the supply chain guarantee, provide premium products and services to customers, and to enlarge the business scale and increase the profitability of the Group effectively.

### **4. OPINION OF THE BOARD**

In light of the above reasons, on the basis that the Revised Annual Caps are determined in the ordinary and usual course of business of the Company and on normal commercial terms or better, the Board (including the independent non-executive Directors) considers that the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ms. Wu Lanyu, Mr. Liu Ping and Mr. Huang Hai, all being Directors, have abstained from voting on the Board resolutions approving the Revised Annual Caps. Save as disclosed above, none of the Directors has any material interest in the 2024-2026 Products and Services Procurement Framework Agreement and the transactions contemplated thereunder.

## **5. INTERNAL CONTROL MEASURES**

The Company will continue to adopt the internal policies and measures as disclosed in the Previous Announcement to ensure that the continuing connected transactions of the Group are conducted in accordance with the relevant framework agreements. For details, please refer to the section “Internal Control Measures” in the Previous Announcement.

## **6. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Poly Developments and Holdings is interested in an aggregate of 72.289% of the total issued share capital of the Company and is a controlling shareholder of the Company, and thus a connected person of the Company under the Listing Rules. As such, pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the applicable announcement requirement under Chapter 14A of the Listing Rules in respect of the revision of the Original Annual Caps.

As the highest applicable percentage ratio in respect of the Revised Annual Caps is more than 0.1% but less than 5%, the Revised Annual Caps are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders’ approval requirement pursuant to Chapter 14A of the Listing Rules.

## **7. INFORMATION OF THE PARTIES**

### **Information of the Group**

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

### **Information of Poly Developments and Holdings**

Poly Developments and Holdings, whose shares are listed on the main board of Shanghai Stock Exchange, is a joint stock company established in the PRC with limited liability on 14 September 1992. Based on the strategic vision of “building a real estate ecological platform with excellent competitiveness”, Poly Developments and Holdings insists on real estate investment and development as its core, good life services, industrial finance and other business as clusters, and advancing together to realize high-quality corporate development.

## 8. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“2021-2023 Hardware Procurement and Maintenance Services Framework Agreement”	the hardware procurement and maintenance services framework agreement dated 24 March 2021 entered into between the Company and Poly Developments and Holdings
“2024-2026 Products and Services Procurement Framework Agreement”	the products and services procurement framework agreement dated 3 November 2023 entered into between the Company and Poly Developments and Holdings, the details of which were set out in the Previous Announcement
“Board”	the board of Directors of the Company
“Company”	Poly Property Services Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual or a company who, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original Annual Cap(s)”	the original annual caps under the 2024-2026 Products and Services Procurement Framework Agreement as disclosed in the Previous Announcement
“Poly Developments and Holdings”	Poly Developments and Holdings Group Co., Ltd. (保利發展控股集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the main board of the Shanghai Stock Exchange (Stock Code: 600048), and a controlling shareholder of the Company
“Poly Developments and Holdings Group”	Poly Developments and Holdings and its associates, excluding the Group
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to the “PRC” do not include Hong Kong, the Macau Special Administrative Region and Taiwan region of the PRC
“Previous Announcement”	the announcement of the Company dated 3 November 2023 in relation to, among others, the 2024-2026 Products and Services Procurement Framework Agreement and the Original Annual Caps
“Revised Annual Caps”	the annual caps for the transactions contemplated under the 2024-2026 Products and Services Procurement Framework Agreement as revised on 26 March 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the domestic shares and the H shares
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

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

By Order of the Board  
**POLY PROPERTY SERVICES CO., LTD.**  
**Wu Lanyu**  
*Chairman of the Board and Executive Director*

Guangzhou, the PRC, 26 March 2024

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