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Powerlong Commercial Management Holdings Limited
寶龍商業管理控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9909)

RENEWAL OF CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 16 June 2023 in relation to the 2023 Digitalization Service Agreement, pursuant to which Shanghai Yueshang agreed to provide digitalization technology services to the Group from 16 June 2023 to 31 December 2025 (both days inclusive).

As the above mentioned agreement will expire on 31 December 2025 and the Group will continue to enter into the continuing connected transactions under the scope of the 2023 Digitalization Service Agreement, on 18 December 2025 (after trading hours), the Company and Shanghai Yueshang entered into the 2026 Digitalization Service Agreement to renew the 2023 Digitalization Service Agreement for a term of three years commencing from 1 January 2026 to 31 December 2028 (both days inclusive).

LISTING RULES IMPLICATIONS

Shanghai Yueshang is owned as to 33.8% by Mr. Hoi Wa Fong, an executive Director of the Company, and as to 8.3% by Shanghai Jiashang, a wholly-owned subsidiary of the Company, with the remaining 57.9% interests being owned by other Independent Third Parties. By virtue of Mr. Hoi Wa Fong's interest in Shanghai Yueshang, Shanghai Yueshang is an associate of Mr. Hoi Wa Fong and hence a connected person at the listed issuer level of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2026 Digitalization Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the transactions contemplated under the 2026 Digitalization Service Agreement are, on an annual basis, more than 0.1% but less than 5%, the transactions contemplated under the 2026 Digitalization Service Agreement are subject to the reporting and announcement requirements but are exempted from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 16 June 2023 in relation to the 2023 Digitalization Service Agreement, pursuant to which Shanghai Yueshang agreed to provide digitalization technology services to the Group from 16 June 2023 to 31 December 2025 (both days inclusive).

As the above mentioned agreement will expire on 31 December 2025 and the Group will continue to enter into the continuing connected transactions under the scope of the 2023 Digitalization Service Agreement, on 18 December 2025 (after trading hours), the Company and Shanghai Yueshang entered into the 2026 Digitalization Service Agreement to renew the 2023 Digitalization Service Agreement for a term of three years commencing from 1 January 2026 to 31 December 2028 (both days inclusive).

Details of the 2026 Digitalization Service Agreement are set forth below:

2026 DIGITALIZATION SERVICE AGREEMENT

Date

18 December 2025

Parties

(1) the Company; and

(2) Shanghai Yueshang.

Duration

The 2026 Digitalization Service Agreement has a fixed term commencing from 1 January 2026 and ending on 31 December 2028 (both days inclusive).

Subject

Pursuant to the 2026 Digitalization Service Agreement, Shanghai Yueshang will provide certain digitalization technology services to the Group, including but not limited to building internet digital services, information systems and hardware deployment for the Group (the "**Services**") on a project-by-project basis.

The 2026 Digitalization Service Agreement is a framework agreement which provides the mechanism for the provision of the Services by Shanghai Yueshang to the Group. It is envisaged that from time to time and as required, individual service agreements will be required to be entered into between the Group and Shanghai Yueshang. Each individual service agreement will set out the relevant Services to be provided by Shanghai Yueshang to the Group and the service fees. The individual service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the 2026 Digitalization Service Agreement. As the individual service agreements are simply further elaborations on the 2026 Digitalization Service Agreement, they do not constitute new categories of connected transactions as far as the Listing Rules are concerned.

Price

The service fees payable by the Group in respect of the Services contemplated under the 2026 Digitalization Service Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on an arm's length basis, on similar basis as the Group transacts business with other independent service providers and shall be on terms which are no less favorable to the Group than those offered by other independent service providers.

The total final service price shall be determined through commercial negotiation in accordance with the fair market prices obtained by the Company through public bidding or other methods.

Payment

Payment of the Services will be settled by way of cash within 30 days after confirmation of work done by both parties, subject to the terms of the individual service agreements in respect of the Services to be entered into between the Group and Shanghai Yueshang under the 2026 Digitalization Service Agreement.

PRICING POLICIES AND INTERNAL CONTROL

As a general principle, the price and terms of the individual service agreements in respect of the Services will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as the Group transacts business with other independent service providers and shall be on terms which are no less favorable to the Group than those offered by other independent service providers. Subject to the general principle disclosed above, the Group will also take into account the following factors when determining the service fee payable in respect of the Services: (i) the prevailing market rates of the Services; (ii) the quality and fees of the Services available in the market; and (iii) the expected cost to be incurred by Shanghai Yueshang in providing such Services. In determining the service fee payable under the 2026 Digitalization Service Agreement, to the extent reasonably practicable, the Group will also invite service provider(s) in the market (including the Independent Third Party(ies)) to participate in a tender to get a reference on the prevailing market rates for the relevant Services. The prices obtained through the tender process, where applicable, will be reviewed and evaluated by the relevant personnel of the cost control centre and information department of the Group and to be compared against the market rates obtained through the regular price research conducted by the Company. Where the terms of an offer from, and product quality delivered by, Shanghai Yueshang are more favorable than those offered by other independent service provider(s) to the Group, the Group may award the contract to Shanghai Yueshang.

The pricing policy for all the continuing connected transactions of the Group, including procurement of the Services by the Group under the 2026 Digitalization Service Agreement, will be supervised and monitored by the relevant personnel and management of the Group to ensure that all the continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policy of the Group and will not be prejudicial to the interests of the Company and the Shareholders as a whole. The relevant personnel and management of the Group will conduct regular checks and assess whether individual transactions contemplated under continuing connected transactions are conducted in accordance with the terms of the agreement and will also regularly review whether the price charged/paid for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under the 2026 Digitalization Service Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps thereof.

Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the Services contemplated under the 2026 Digitalization Service Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

ANNUAL CAPS AND BASIS OF DETERMINATION

The historical transaction amounts between the Company and Shanghai Yueshang for each of the two years ended 31 December 2023 and 2024 and for the period from 1 January 2025 to 30 November 2025 are as follows:

	For the year ended 31 December 2023 *(RMB)*	**For the year ended 31 December 2024** *(RMB)*	**For the period from 1 January 2025 to 30 November 2025** *(RMB)*
Provision of the Services by Shanghai Yueshang			
Annual cap	15,000,000	15,000,000	15,000,000*
Transaction amount	14,300,000	7,400,000	5,000,000**

* for the year ending 31 December 2025

** unaudited figure

The proposed annual caps of the Services contemplated under the 2026 Digitalization Service Agreement for each of the three years ending 31 December 2026, 2027 and 2028 are set out below:

	For the year ending 31 December 2026 *(RMB)*	**For the year ending 31 December 2027** *(RMB)*	**For the year ending 31 December 2028** *(RMB)*
Provision of the Services by Shanghai Yueshang	30,000,000	30,000,000	30,000,000

The annual caps of the Services contemplated under the 2026 Digitalization Service Agreement are determined with reference to (i) the Group's five-year strategic plan, pursuant to which it targets to achieve deep integration of core commercial operations with artificial intelligence, and will carry out intelligent upgrades and transformation of core premium assets, thereby achieving comprehensive intelligent coverage from dimensions including intelligent energy consumption control, intelligent path navigation, intelligent precision shopping guidance, and intelligent rapid vehicle location. It is estimated that the additional costs required will be up to RMB15 million; (ii) the anticipated demand of the Group for the Services, taking into account of the anticipated growth in volume of projects for the three years ending 31 December 2028 in view of the aforementioned five-year strategic plan; and (iii) the historical transaction amounts between the Group and Shanghai Yueshang for provision of the Services by Shanghai Yueshang for the two years ended 31 December 2023 and 2024 and the period from 1 January 2025 to 30 November 2025.

REASONS AND BENEFITS

The Company is an investment holding company and the Group is a leading service provider engaging in the provision of commercial operational services and residential property management services in the PRC. Shanghai Yueshang has strong technological innovation and product research and development capabilities, and rich experience in digitalization services for related industries of real estate companies in the PRC.

Through the Services to be provided by Shanghai Yueshang pursuant to the 2026 Digitalization Service Agreement, problem commonly encountered by the Group in the internet information platform can be effectively resolved so as to meet the evolving business and operational requirements. The Services will enable the Group to build a complete and accurate data platform which will effectively facilitate the business expansion of the Group.

Taking into consideration of the cooperation and the established and stable strategic business relationship between the Group and Shanghai Yueshang under the 2023 Digitalization Service Agreement, the Directors consider that it is in the interest of the Company to enter into the 2026 Digitalization Service Agreement as Shanghai Yueshang is familiar with the specifications, standards and requirements of the Group and the Group has confidence on the quality of the Services to be provided by Shanghai Yueshang. The 2026 Digitalization Service Agreement was entered into in the usual and ordinary course of business of the Group and the transactions contemplated thereunder will be conducted on arm's length basis and on normal commercial terms. The Directors (including the independent non-executive Directors) consider that the terms of the 2026 Digitalization Service Agreement (including the annual caps for the transactions thereunder) are fair and reasonable and the entering into of the 2026 Digitalization Service Agreement is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Shanghai Yueshang is owned as to 33.8% by Mr. Hoi Wa Fong, an executive Director of the Company, and as to 8.3% by Shanghai Jiashang, a wholly-owned subsidiary of the Company, with the remaining 57.9% interests being owned by other Independent Third Parties. By virtue of Mr. Hoi Wa Fong's interest in Shanghai Yueshang, Shanghai Yueshang is an associate of Mr. Hoi Wa Fong and hence a connected person at the listed issuer level of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2026 Digitalization Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the transactions contemplated under the 2026 Digitalization Service Agreement are, on an annual basis, more than 0.1% but less than 5%, the transactions contemplated under the 2026 Digitalization Service Agreement are subject to the reporting and announcement requirements but are exempted from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

As Mr. Hoi Wa Fong is considered to have a material interest in the transactions contemplated under the 2026 Digitalization Service Agreement by virtue of his shareholding interests in Shanghai Yueshang, he has abstained from voting on the Board resolution to approve the entering into of the 2026 Digitalization Service Agreement.

INFORMATION IN RELATION TO SHANGHAI YUESHANG

Established in 2015, Shanghai Yueshang is principally engaged in internet information services, software development, technology transfer and consulting, data processing business, as well as provision of products and services including IT infrastructure construction, cloud computing, big data and artificial intelligence. As at the date of this announcement, Shanghai Yueshang is owned (i) as to 33.8% by 上海任俠企業管理有限公司(Shanghai Renxia Corporate Management Co., Ltd.*) ("**Shanghai Renxia**"), (ii) as to 22.5% by 上海商悦企業管理中心(有限合夥) (Shanghai Shangyue Enterprise Management Center (Limited Partnership)*) ("**Shanghai Shangyue**"), (iii) as to 11.3% by Mr. Wu Bichuan (吳弼川) (an Independent Third Party), (iv) as to 8.3% by 集富亞洲一期(上海)股權投資合夥企業(有限合夥)(JAFCO Asia Phase I (Shanghai) Equity Investment Partnership (Limited Partnership)*) ("**JAFCO Asia**") (an Independent Third Party), (v) as to 7.5% by 寧波保税區易沃德投資合夥企業(有限合夥)(Ningbo Baoshui Yiwode Investment Partnership (Limited Partnership)*) ("**Ningbo Yiwode**") (an Independent Third Party), (vi) as to 8.3% by Shanghai Jiashang (a wholly-owned subsidiary of the Company), and (vii) as to 8.3% by Shenzhen Tencent (an Independent Third Party).

Shanghai Renxia is a company established in the PRC with limited liability. As at the date of this announcement, Shanghai Renxia is principally engaged in services including corporate management and consultation, business information consultation, property management, brand management and car park management, and is wholly owned by Mr. Hoi Wa Fong, an executive Director.

Shanghai Shangyue is a limited partnership established in the PRC. As at the date of this announcement, Shanghai Shangyue is principally engaged in business management consulting, business information consulting, marketing planning, conference services, exhibition display services, market information consulting and survey services, and is owned as to 60%, 11.5%, 11.5%, 9.5%, 3.75% and 3.75% by Ms. Shi Shanya (施珊雅), Mr. Cui Wei (崔巍), Mr. Wu Dingting (吳定庭), Mr. Wu Bichuan (吳弼川), Mr. Yang Fan (楊帆) and Mr. Lin Chenguang (林晨光) respectively, each of whom being an Independent Third Party.

JAFCO Asia is a limited partnership established in the PRC. As at the date of this announcement, JAFCO Asia is principally engaged in equity investment, and is managed by JAFCO Asia (Shanghai) Equity Investment Management Co., Ltd*, a company incorporated in the PRC and regulated by Assets Management Association of China. JAFCO Asia is owned as to 99% and 1% by JAFCO Asia Technology Fund VII Pte. Ltd. (with 48.94% of interests indirectly held by JAFCO Group Co., Ltd., a company listed on the main board of the Tokyo Stock Exchange, Japan (Stock Code: 8595), and 51.06% of interests indirectly held by various limited partners with shareholding of less than 10%) and JAFCO Asia Technology Holdings VII (S) Pte. Ltd. respectively.

Ningbo Yiwode is a limited partnership established in the PRC. As at the date of this announcement, Ningbo Yiwode is principally engaged in industrial investment, asset management, investment management and investment consulting, and is owned as to 22.93% by E-House (China) Enterprise Management Group Limited (a subsidiary of E-House (China) Enterprise Holdings Limited (Stock Code: 2048)), 9.17% by Shanghai Hecan Industry Company Limited (an indirect wholly-owned subsidiary of the Company), 9.17% by Shanghai Ronggu Chuangye Investment Company Limited and the remaining 58.73% by 21 individuals, 2 limited companies and 1 fund entity, each holding less than 10% in Ningbo Yiwode and each of them is an Independent Third Party.

DEFINITIONS

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

"2023 Digitalization Service Agreement"	the framework agreement entered into between the Company and Shanghai Yueshang on 16 June 2023 in relation to digitization services to be provided by Shanghai Yueshang to the Group
"2026 Digitalization Service Agreement"	the framework agreement entered into between the Company and Shanghai Yueshang on 18 December 2025 in relation to digitization services to be provided by Shanghai Yueshang to the Group
"associate"	has the same meaning ascribed to it under the Listing Rules

"Board"	the board of directors of the Company
"Company"	Powerlong Commercial Management Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, which shall for the purposes of this announcement not include Hong Kong, the Macau special Administrative Region of the PRC or Taiwan region
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Jiashang"	上海嘉緘數字科技有限公司(Shanghai Jiashang Digital Technology Company Limited*), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement
"Shanghai Yueshang"	悦商科技(上海)有限公司 (Yueshang Technology (Shanghai) Co., Ltd.*) (formerly known as 上海悦商信息科技有限公司 (Shanghai Yueshang Information Technology Co., Ltd.*)), a company established in the PRC with limited liability

"Shenzhen Tencent"	深圳市騰訊產業創投有限公司(Shenzhen Tencent Industrial Venture Capital Co., Ltd.*), a company established in the PRC with limited liability principally engaged in venture capital investment corporate management consultation and investment consultation and an Independent Third Party
"Shareholders"	holder(s) of the Shares
"Shares"	ordinary shares with a par value of HK$0.01 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

* *for identification purposes only*

By order of the Board
Powerlong Commercial Management Holdings Limited
Hoi Wa Fong
Chairman

Hong Kong, 18 December 2025

As at the date of this announcement, the Board comprises of one executive Director, namely, Mr. Hoi Wa Fong, two non-executive Directors, namely, Ms. Hoi Wa Fan and Ms. Hoi Wa Lam, and three independent non-executive Directors, namely, Dr. Lu Xiongwen, Ms. Ng Yi Kum, Estella and Mr. Chan Wai Yan, Ronald.