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Poly Property Group Co., Limited

保利置業集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00119)

CONNECTED AND MAJOR TRANSACTIONS IN RELATION TO THE PROVISION OF LOANS TO A CONNECTED PERSON AT THE SUBSIDIARY LEVEL

PROVISION OF LOANS TO A CONNECTED PERSON AT THE SUBSIDIARY LEVEL

Reference is made to the announcements dated 15 August 2022, 27 February 2023 and 22 December 2023 in relation to the discloseable transactions and major transactions regarding the provision of loans to minority shareholders, the major transaction circular dated 16 January 2024, and the announcement dated 20 March 2025 in relation to connected transactions under Rule 14A.60 of the Listing Rules issued by Poly Property Group Co., Limited (the "**Company**") (collectively, the "**Previous Announcements and Circular**").

LOAN AGREEMENT 11

On 9 March 2026, SZ Baozhuo (as lender), a subsidiary of the Company in which the Company indirectly holds 51% equity interest, Huizhou Baozhi (as borrower), an indirect wholly-owned subsidiary of the Company, and SZ China Merchants (as borrower) entered into Loan Agreement 11, pursuant to which SZ Baozhuo agreed to grant loans in the amounts of RMB382.5 million and RMB367.5 million to Huizhou Baozhi and SZ China Merchants, respectively.

The Loan 11 provided by SZ Baozhuo to Huizhou Baozhi and SZ China Merchants is in proportion to the respective equity interests of Huizhou Baozhi and SZ China Merchants in SZ Baozhuo.

LOAN AGREEMENT 12

On 9 March 2026, SZ Baojie (as lender), a subsidiary of the Company in which the Company indirectly holds 51% equity interest, Huizhou Baozhi (as borrower), an indirect wholly-owned subsidiary of the Company, and SZ China Merchants (as borrower) entered into Loan Agreement 12, pursuant to which SZ Baojie agreed to grant loans in the amounts of RMB102 million and RMB98 million to Huizhou Baozhi and SZ China Merchants, respectively.

The Loan 12 provided by SZ Baojie to Huizhou Baozhi and SZ China Merchants is in proportion to the respective equity interests of Huizhou Baozhi and SZ China Merchants in SZ Baojie.

LISTING RULES IMPLICATIONS

The loan portions granted to Huizhou Baozhi under Loan Agreement 11 and Loan Agreement 12 do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

The loan portions granted to SZ China Merchants under Loan Agreement 11 and Loan Agreement 12 are required to be aggregated with the loan portions granted to SZ China Merchants under Loan 1, Loan 3, Loan 5, Loan 6, Loan 8 and Loan 9 and the loan portion granted to Suzhou China Merchants under Loan 7 (collectively, the "**Loans to China Merchants**"). One or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Loans to China Merchants exceed 25% but are less than 75%. As such, the Loans to China Merchants constitute a major transaction of the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the portions of the loans granted to SZ China Merchants under Loan 1, Loan 3, Loan 5, Loan 6, Loan 8 and Loan 9 and the portion of the loan granted to Suzhou China Merchants under Loan 7 (the "**Previous Loans**") as aggregated already constituted a major transaction of the Company, the Company has published an announcement on 22 December 2023 and a circular on 16 January 2024, and obtained shareholders' approval on 31 January 2024. The aggregation of Loan 11 and Loan 12 with the Previous Loans continues to result in a major transaction. Accordingly, the Company is subject to the reporting and announcement requirements, but is not required to seek shareholders' approval again in respect of Loan Agreement 11 and Loan Agreement 12 under Chapter 14 of the Listing Rules.

The principal terms of Loan Agreements 1 to 9 and the sources of funding for the Previous Loans have been disclosed in the Previous Announcements and Circular.

In addition, based on the results announcement of the Company for the year ended 31 December 2024 published on 20 March 2025, the applicable percentage ratios (as defined in Rule 14A.09(1) of the Listing Rules) in respect of SZ Baozhuo, SZ Baojie and Kunshan Yuecheng in aggregate exceed 5%. Accordingly, SZ Baozhuo, SZ Baojie and Kunshan Yuecheng have ceased to be insignificant subsidiaries of the Company. SZ China Merchants and Suzhou China Merchants have become connected persons at the subsidiary level of the Company, and the Loans to China Merchants constitute connected transactions of the Company. However, pursuant to Rule 14A.101 of the Listing Rules, the Company is exempt from the requirements to issue a circular, obtain independent financial advice and seek shareholders' approval.

Reference is made to the announcements dated 15 August 2022, 27 February 2023 and 22 December 2023 in relation to the discloseable transactions and major transactions regarding the provision of loans to minority shareholders, the major transaction circular dated 16 January 2024, and the announcement dated 20 March 2025 in relation to connected transactions under Rule 14A.60 of the Listing Rules issued by Poly Property Group Co., Limited (the "**Company**") (collectively, the "**Previous Announcements and Circular**").

LOAN AGREEMENT 11

On 9 March 2026, SZ Baozhuo (as lender), a subsidiary of the Company in which the Company indirectly holds 51% equity interest, Huizhou Baozhi (as borrower), an indirect wholly-owned subsidiary of the Company, and SZ China Merchants (as borrower) entered into Loan Agreement 11, pursuant to which SZ Baozhuo agreed to grant loans in the amounts of RMB382.5 million and RMB367.5 million to Huizhou Baozhi and SZ China Merchants, respectively.

The Loan 11 provided by SZ Baozhuo to Huizhou Baozhi and SZ China Merchants is in proportion to the respective equity interests of Huizhou Baozhi and SZ China Merchants in SZ Baozhuo.

PRINCIPAL TERMS OF LOAN AGREEMENT 11

Date	:	9 March 2026
Lender	:	SZ Baozhuo
Borrowers (principal amounts)	:	Huizhou Baozhi (RMB382.5 million) SZ China Merchants (RMB367.5 million)

Loan 11 is unsecured and interest-free, with a maximum term of not more than 10 years commencing from the date on which the lender actually advances the funds. SZ Baozhuo is entitled to demand repayment of Loan 11 at any time during the loan period, and the borrowers shall, within 15 business days from the date of receipt of the written notice from SZ Baozhuo, repay Loan 11 in proportion to their respective equity interests.

Loan 11 is not a revolving loan facility. Unlike a revolving loan facility, which allows borrowers to repeatedly borrow and repay funds within a specified limit and period, Loan 11 does not permit the borrowers to re-borrow any part of the repaid principal amount. Once the borrowers repay any portion of the loan under Loan Agreement 11, they are not permitted to access the repaid funds again.

The amount of Loan 11 was determined after arm's length negotiations among SZ Baozhuo, Huizhou Baozhi and SZ China Merchants, and will be funded by the internal resources of SZ Baozhuo.

LOAN AGREEMENT 12

On 9 March 2026, SZ Baojie (as lender), a subsidiary of the Company in which the Company indirectly holds 51% equity interest, Huizhou Baozhi (as borrower), an indirect wholly-owned subsidiary of the Company, and SZ China Merchants (as borrower) entered into Loan Agreement 12, pursuant to which SZ Baojie agreed to grant loans in the amounts of RMB102 million and RMB98 million to Huizhou Baozhi and SZ China Merchants, respectively.

The Loan 12 provided by SZ Baojie to Huizhou Baozhi and SZ China Merchants is in proportion to the respective equity interests of Huizhou Baozhi and SZ China Merchants in SZ Baojie.

PRINCIPAL TERMS OF LOAN AGREEMENT 12

Date	:	9 March 2026
Lender	:	SZ Baojie
Borrowers (principal amounts)	:	Huizhou Baozhi (RMB102 million) SZ China Merchants (RMB98 million)

Loan 12 is unsecured and interest-free, with a maximum term of not more than 10 years commencing from the date on which the lender actually advances the funds. SZ Baojie is entitled to demand repayment of Loan 12 at any time during the loan period, and the borrowers shall, within 15 business days from the date of receipt of the written notice from SZ Baojie, repay Loan 12.

Loan 12 is not a revolving loan facility. Unlike a revolving loan facility, which allows borrowers to repeatedly borrow and repay funds within a specified limit and period, Loan 12 does not permit the borrowers to re-borrow any part of the repaid principal amount. Once the borrowers repay any portion of the loan under Loan Agreement 12, they are not permitted to access the repaid funds again.

The amount of Loan 12 was determined after arm's length negotiations among SZ Baojie, Huizhou Baozhi and SZ China Merchants, and will be funded by the internal resources of SZ Baojie.

REASONS FOR AND BENEFITS OF PROVISION OF LOANS TO A MINORITY SHAREHOLDER

Huizhou Baozhi holds 51% equity interest in each of SZ Baozhuo and SZ Baojie, while SZ China Merchants holds 49% equity interest in each of SZ Baozhuo and SZ Baojie. SZ Baozhuo and SZ Baojie are principally engaged in property development in the PRC. After careful consideration, Huizhou Baozhi and SZ China Merchants consider that it is in the best interests of both parties to utilise the surplus funds of SZ Baozhuo and SZ Baojie to strengthen the development of other property projects. Accordingly, Huizhou Baozhi and SZ China Merchants entered into the loan agreements with SZ Baozhuo and SZ Baojie on the same terms and conditions to obtain loans in proportion to their respective equity interests.

Pursuant to Loan Agreement 11 and Loan Agreement 12, in the event that a borrower fails to repay the loan when due, it shall pay liquidated damages to the lender and the non-defaulting shareholder. If a defaulting shareholder fails to repay the loan, the lender is entitled to withhold any amounts payable to such defaulting shareholder. Furthermore, if the relevant loan is overdue for more than 60 days, (i) the non-defaulting shareholder is entitled to dilute the equity interest of the defaulting shareholder in SZ Baozhuo or SZ Baojie (as the case may be); and (ii) the defaulting shareholder shall pay additional liquidated damages to the non-defaulting shareholder. Each of SZ Baozhuo and SZ Baojie expects that, even after each of Huizhou Baozhi and SZ China Merchants has drawn down Loan 11 and Loan 12, the surplus funds of the Held Projects, together with the expected proceeds from future sales, will be sufficient to meet the funding requirements for the construction costs, management fees, taxes and loan repayments of the Held Projects in the next 12 months. The Held Projects have already been partially delivered and are currently at the final stage of sale.

In view of the above and having considered the Group's general working capital financing needs and the additional costs of external financing, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of Loan Agreement 11 and Loan Agreement 12 are fair and reasonable, are on normal commercial terms, and are in the interests of the Company and its shareholders as a whole.

INFORMATION RELATING TO THE COMPANY AND THE GROUP

The Company

The Company is principally engaged in investment holding and its subsidiaries are principally engaged in property development, property investment and management, hotel operations and related services, manufacturing and sales of digital discs and others.

SZ Baozhuo

SZ Baozhuo is a limited liability company established in the PRC, principally engaged in property development, and is an indirect 51%-owned subsidiary of the Company, with the remaining 49% equity interest held by SZ China Merchants.

SZ Baojie

SZ Baojie is a limited liability company established in the PRC, principally engaged in property development, and is an indirect 51%-owned subsidiary of the Company, with the remaining 49% equity interest held by SZ China Merchants.

Huizhou Baozhi

Huizhou Baozhi is a limited liability company established in the PRC, principally engaged in property development, and is an indirect wholly-owned subsidiary of the Company.

INFORMATION RELATING TO SZ CHINA MERCHANTS

SZ China Merchants is a limited liability company established in the PRC and is principally engaged in real estate development and operation, property management, housing rental, interior and exterior design services, business information consulting and parking management services.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, as at the date of this announcement, China Merchants Shekou Industrial Zone Holdings Co., Ltd.* (招商局蛇口工業區控股股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: SZ.001979) and Shenzhen TCL Real Estate Company Limited* (深圳TCL房地產有限公司) hold 70% and 30% equity interests in SZ China Merchants, respectively. China Merchants Shekou Industrial Zone Holdings Co., Ltd. has a solid track record of operations and a strong credit profile, and is one of the leading property developers in the PRC. TCL Technology Industry Company Limited* (TCL科技產業園有限公司) and Shenzhen Haiguzhou Real Estate Development Company Limited* (深圳市海谷州置業發展有限公司) hold 70% and 30% equity interests in Shenzhen TCL Real Estate Company Limited, respectively. Huizhou Lida Tiancheng Equity Investment Company Limited* (惠州礪達天成股權投資有限公司) and Zhong Weijian* (鐘偉堅) indirectly hold 99.99% and 0.01% equity interests in TCL Technology Industry Company Limited. Li Dongsheng* (李東生) holds 51% equity interest in Huizhou Lida Tiancheng Equity Investment Company Limited, and the equity interest in Huizhou Lida Tiancheng Equity Investment Company Limited held by each of its remaining shareholders is no more than 30%. Shenzhen Haiguchi Investment Company Limited* (深圳市海谷池投資有限公司) holds 71.66% equity interest in Shenzhen Haiguzhou Real Estate Development Company Limited, and the equity interest in Shenzhen Haiguzhou Real Estate Development Company Limited held by each of its remaining shareholders is no more than 30%. Shenzhen Haiguchi Investment Company Limited is ultimately held as to 65% and 35% by Cui Xiaowen* (崔曉文) and Cui Yizheng* (崔宜征), respectively. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, as at the date of this announcement, SZ China Merchants and its ultimate beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

LISTING RULES IMPLICATIONS

The loan portions granted to Huizhou Baozhi under Loan Agreement 11 and Loan Agreement 12 do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

The loan portions granted to SZ China Merchants under Loan Agreement 11 and Loan Agreement 12 are required to be aggregated with the loan portions granted to SZ China Merchants under Loan 1, Loan 3, Loan 5, Loan 6, Loan 8 and Loan 9 and the loan portion granted to Suzhou China Merchants under Loan 7 (collectively, the "**Loans to China Merchants**"). One or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Loans to China Merchants exceed 25% but are less than 75%. As such, the Loans to China Merchants constitute a major transaction of the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the portions of the loans granted to SZ China Merchants under Loan 1, Loan 3, Loan 5, Loan 6, Loan 8 and Loan 9 and the portion of the loan granted to Suzhou China Merchants under Loan 7 (the "**Previous Loans**") as aggregated already constituted a major transaction of the Company, the Company has published an announcement on 22 December 2023 and a circular on 16 January 2024, and obtained shareholders' approval on 31 January 2024. The aggregation of Loan 11 and Loan 12 with the Previous Loans continues to result in a major transaction. Accordingly, the Company is subject to the reporting and announcement requirements, but is not required to seek shareholders' approval again in respect of Loan Agreement 11 and Loan Agreement 12 under Chapter 14 of the Listing Rules.

The principal terms of Loan Agreements 1 to 9 and the sources of funding for the Previous Loans have been disclosed in the Previous Announcements and Circular.

In addition, based on the results announcement of the Company for the year ended 31 December 2024 published on 20 March 2025, the applicable percentage ratios (as defined in Rule 14A.09(1) of the Listing Rules) in respect of SZ Baozhuo, SZ Baojie and Kunshan Yuecheng in aggregate exceed 5%. Accordingly, SZ Baozhuo, SZ Baojie and Kunshan Yuecheng have ceased to be insignificant subsidiaries of the Company. SZ China Merchants and Suzhou China Merchants have become connected persons at the subsidiary level of the Company, and the Loans to China Merchants constitute connected transactions of the Company. However, pursuant to Rule 14A.101 of the Listing Rules, the Board has approved the Loans to China Merchants, and the Directors (including all the independent non-executive Directors) have confirmed that the terms of the transactions are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. The Company is therefore exempt from the requirements to issue a circular, obtain independent financial advice and seek shareholders' approval.

No Director has any interest in Loan Agreement 11 or Loan Agreement 12 and is therefore required to abstain from voting on the relevant Board resolutions approving Loan Agreement 11 and Loan Agreement 12.

DEFINITIONS

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

''Board''	the board of Directors of the Company
"Company"	Poly Property Group Co., Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Held Projects"	(i) Longhua Longyu Project in Shenzhen Area* (深圳區域龍華龍譽項目), which is directly held as to 100% interest by SZ Baozhuo; and (ii) Longgang Yongshan Project in Shenzhen Area* (深圳區域龍崗雍山郡項目), which is directly held as to 100% interest by SZ Baojie
"Huizhou Baozhi"	Huizhou Baozhi Real Estate Development Company Limited*(惠州市保置房地產開發有限公司), a limited liability company established in the PRC, principally engaged in property development, and is an indirect wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan 11"	the loans in the amounts of RMB382.5 million and RMB367.5 million granted by SZ Baozhuo to Huizhou Baozhi and SZ China Merchants pursuant to Loan Agreement 11
"Loan 12"	the loans in the amounts of RMB102 million and RMB98 million granted by SZ Baojie to Huizhou Baozhi and SZ China Merchants pursuant to Loan Agreement 12
"Loan Agreement 11"	the loan agreement dated 9 March 2026 entered into between SZ Baozhuo, Huizhou Baozhi and SZ China Merchants
"Loan Agreement 12"	the loan agreement dated 9 March 2026 entered into between SZ Baojie, Huizhou Baozhi and SZ China Merchants

"PRC" or "China"	the People's Republic of China
"Previous Loans"	certain loans granted by subsidiaries of the Company to SZ China Merchants and Suzhou China Merchants pursuant to Loan Agreements 1 to 9, details of which are set out in the Company's announcements dated 15 August 2022, 27 February 2023 and 22 December 2023
"RMB"	Renminbi, the lawful currency of the PRC
"SZ Baojie"	Shenzhen Baojie Real Estate Development Company Limited*(深圳市保捷房地產開發有限公司), a limited liability company established in the PRC, principally engaged in property development, and is an indirect 51%-owned subsidiary of the Company
"SZ Baozhuo"	Shenzhen Baozhuo Real Estate Development Company Limited* (深圳市保卓房地產開發有限公司), a limited liability company established in the PRC, principally engaged in property development, and is an indirect 51%-owned subsidiary of the Company
"SZ China Merchants"	Shenzhen Pingshan China Merchants Real Estate Company Limited* (深圳坪山招商房地產有限公司), a limited liability company established in the PRC, principally engaged in real estate development and operation, property management, housing rental, interior and exterior design services, business information consulting, and parking management services
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou China Merchants"	China Merchants Real Estate (Suzhou) Company Limited* (招商局地產（蘇州）有限公司), a limited liability company established in the PRC

* *For identification purposes only.*

By order of the Board
Poly Property Group Co., Limited
Wan Yuqing
Chairman

Hong Kong, 9 March 2026

As at the date of this announcement, the Executive Directors of the Company are Mr. Wan Yuqing and Mr. Hu Zaixin, the Non-executive Directors of the Company are Mr. Zhang Yi, Mr. Geng Yuehua and Mr. Deng Huan and the Independent Non-executive Directors of the Company are Mr. Fung Chi Kin, Ms. Leung Sau Fan, Sylvia, Mr. Wong Ka Lun and Mr. Ng Kim Lam.