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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 TRANSACTION PROVISION OF PROJECT MANAGEMENT SERVICES TO CHINA CRAFTS

PROJECT MANAGEMENT SERVICES AGREEMENT

On 25 August 2026, Poly Shandong (a wholly-owned subsidiary of the Company) entered into a project management services agreement with China Crafts following the successful tender for the Project through a public tender process. Pursuant to the Project Management Services Agreement, Poly Shandong will provide whole-process project management services for the renovation and decoration of the China Arts and Crafts Building, with a total management service fee of RMB12.67 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Crafts is an indirect wholly-owned subsidiary of China Poly. China Poly and its associates hold approximately 48.09% of the issued share capital of the Company and are the controlling shareholders of the Company. Under Chapter 14A of the Listing Rules, China Crafts is a connected person of the Company, the entering into of the Project Management Services Agreement with China Crafts and the transactions contemplated thereunder constitute connected transactions of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Project Management Services Agreement exceeds 0.1% but is less than 5%, such transactions are subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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The principal terms of the Project Management Services Agreement are set out below:

Date : 25 August 2026

Parties : (1) Poly Shandong

(2) China Crafts

Term of the Project Management Services Agreement

The period commences from the date of execution of the Project Management Services Agreement up to the expiration of the defects liability period following the completion and filing of the renovation and decoration work. The construction commencement date shall be the date specified in the formal written construction commencement instruction issued by China Crafts. The completion and delivery date shall be the date falling 23 months after the construction commencement date. The defects liability period shall be 24 months following the completion and delivery of the Project.

Scope of Project Management Services

Poly Shandong shall provide whole-process project management services for the renovation and decoration of the China Arts and Crafts Building, including project planning and approval management; permit application and compliance management; design management and technical coordination; investment management and cost control; tendering and procurement management; contract management and legal coordination; construction management and on-site coordination; completion inspection and delivery management; BIM technology application management; risk management and insurance claims; audit coordination; documentation and information management; and support for project launch and other related tasks.

Pricing Terms

Subject to any project management service fee incentive adjustments which may be receivable by Poly Shandong pursuant to the Project Management Services Agreement as explained below, the total project management service fee is RMB12.67 million, of which 15% constitutes performance assessment fees. China Crafts will conduct performance evaluations on Poly Shandong at three key milestones: upon obtaining the construction permit, upon completion and handover for operation, and upon completion of the final settlement. The performance

assessment fees will be paid based on grading results of each evaluation. In addition, China Crafts will implement incentive and penalty mechanisms in respect of Poly Shandong based on target investment cost and construction progress. If actual costs are below/above the target cost, China Crafts may, at its discretion, allocate 5% of the amount of any savings/overrun as a bonus/penalty to Poly Shandong. Based on the target schedule, for each day that Poly Shandong achieves delivery for use ahead of/ behind schedule, the entrusted management service fee shall be increased/ decreased by RMB5,000, subject to a maximum adjustment limit of 20% of the project management service fee. Barring any unforeseen circumstances, the Company currently expects that the final project management service fee will not exceed RMB15.58 million in any event. The service fee was determined by the tendering documents having taken into account factors, including the anticipated resources, equipment and manpower required of the Group, market conditions and business opportunities available, business reputation of the parties involved in the Project, the market rates for comparable project management services provided by the Group to its independent third party customers and the comparable market rates for similar project management services in the area.

Poly Shandong secured the Project for the renovation and decoration of the China Arts and Crafts Building through a public tender process. The tender terms were determined with reference to the scale and complexity of project management engagements previously undertaken by the Group.

Payment Terms

The project management service fee shall be payable according to the following schedule:

Stage	% of Project Management Services Fee payable
1. Within 10 days after obtaining the construction permit	10%
2. Within 10 days after completion of the acceptance inspection of the structural reinforcement works	20%
3. Within 10 days after completion of the interior fit-out works	30%
4. Within 10 days after obtaining the completion acceptance and filing certificate	10%
5. Within 10 days after completion of project settlement audit	5%
6. Within 10 days after completion of project special audit	5%
7. Within 15 working days after completion of contract settlement and handover of project documentation	17%
8. Quality guarantee (within 15 working days after expiry of the defects liability period and mutual confirmation of project quality and maintenance matters)	3%

Performance Security

Poly Shandong shall, prior to signing the Project Management Services Agreement, submit a bank guarantee to China Crafts as performance security in accordance with the requirements of the tendering documents, in an amount equivalent to 10% of the bid price of RMB12.67 million. The guarantee shall remain valid from the effective date of the Project Management Services Agreement until the expiry of the defects liability period.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROJECT MANAGEMENT SERVICES AGREEMENT

The Group is actively exploring a dual-track development model combining asset-heavy and asset-light approaches and successfully secured six project management engagements in 2025. Project management services represent an important extension of the Group's property development business and reflect market and peer recognition of its product design and development capabilities. The entering into of the Project Management Services Agreement will increase project management business volume and practical experience while generating stable income without substantial capital input into the Project, by leveraging on its technique, expertise and experience in PRC property project management.

Selection of the project management service provider in the Project and determination of the service fee was conducted by way of a public bidding process. There were a number of participants in the tender and, following the review and comprehensive comparison of the tenderers, Poly Shandong was selected in accordance with the relevant requirements under the tendering documents. As such, Poly Shandong was selected in a competitive tendering process, and the service fee and the terms of the Project Management Services Agreement are determined by the tendering documents and are in line with the market practice and the commercial interests of the Group. Having made all reasonable and prudent enquiries, the Directors (including the independent non-executive Directors) consider that the terms of the Project Management Services Agreement are fair and reasonable and on normal commercial terms, and that the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

As at the date of the Board meeting, Mr. Liu Wensheng, Mr. Geng Yuehua and Mr. Deng Huan, being Directors are also the employees of China Poly, and therefore are deemed to have a material interest in the transaction, and have abstained from voting on the Board resolution approving the Project Management Services Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors had a material interest in the transaction or was required to abstain from voting.

INFORMATION ON THE PARTIES TO THE PROJECT MANAGEMENT SERVICES AGREEMENT

The Group

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 other businesses.

Poly Shandong is a limited liability company established in the PRC, principally engaged in real estate development and operation, property management and real estate marketing planning, and is an indirect wholly-owned subsidiary of the Company.

China Crafts

China Crafts is a limited liability company established in the PRC, principally engaged in R&D and manufacturing of arts and crafts, trading of jewellery and precious metals, import and export of handicrafts, cultural exhibition services, and property asset operation and management, and is an indirect wholly-owned subsidiary of China Poly.

China Poly

China Poly is the controlling shareholder and the ultimate beneficial owner of both the Company and China Crafts. China Poly is a state-owned enterprise managed by the State-owned Assets Supervision and Administration Commission of the State Council. Its businesses span multiple sectors, namely international trade, real estate development, research and development and engineering services in the light industry sector, arts and crafts raw materials and product management services, cultural and arts business, civil explosives materials and services, information and communication technology, and financial services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Crafts is an indirect wholly-owned subsidiary of China Poly. China Poly and its associates hold approximately 48.09% of the issued share capital of the Company and are the controlling shareholders of the Company. Under Chapter 14A of the Listing Rules, China Crafts is a connected person of the Company, the entering into of the Project Management Services Agreement with China Crafts and the transactions contemplated thereunder constitute connected transactions of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Project Management Services Agreement exceeds 0.1% but is less than 5%, such transactions are subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“China Arts and Crafts Building”	China Arts and Crafts Building* (中工美大廈) located at No. 101 Fuxingmen Inner Street, Xicheng District, Beijing
“China Crafts”	China Arts and Crafts Group Co., Ltd.* (中國工藝美術集團有限公司), principally engaged in R&D and manufacturing of arts and crafts, jewellery and precious metals trading, import and export of handicrafts, cultural exhibition services and property asset operation and management, and an indirect wholly-owned subsidiary of China Poly
“China Poly”	China Poly Group Corporation Limited* (中國保利集團有限公司), a state-owned enterprise established in the PRC, a controlling shareholder of the Company and, together with its associates, holding approximately 48.09% of the total issued share capital 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Poly Shandong”	Poly Shandong Real Estate Co., Ltd.* (保利山東置業集團有限公司), a limited liability company established in the PRC, principally engaged in real estate development and operation, property management and real estate marketing planning, and an indirect wholly-owned subsidiary of the Company

“Project”	the renovation and decoration project of the China Arts and Crafts Building
“Project Management Services Agreement”	the whole-process Project Management Services Agreement dated 25 August 2026 entered into between China Crafts and Poly Shandong in respect of the Project
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

** For identification purposes only.*

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

Hong Kong, 25 August 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. Liu Wensheng, Mr. Geng Yuehua and Mr. Deng Huan, and the Independent Non-executive Directors of the Company are Mr. Fung Chi Kin, Mr. Ng Kim Lam, Ms. Lam Sau Fung and Ms. Zang Yunzhi.