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POWERLONG
宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED
寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1238)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FRAMEWORK AGREEMENTS WITH POWERLONG COMMERCIAL MANAGEMENT; AND CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

CONTINUING CONNECTED TRANSACTIONS

On 6 November 2026 (after trading hours), the Company entered into the 2026 Car Parking Lots Management Services Framework Agreement, 2026 Residential Property Management Services Framework Agreement, 2026 Commercial Operational Services Framework Agreement, and 2026 Common Area and Advertising Space Management Services Framework Agreement with Powerlong CM to renew the Existing Framework Agreements for a term of three years commencing from 1 January 2027 to 31 December 2029 (both days inclusive).

In addition, prior to the completion of the Restructuring, the Group has entered into various continuing transactions with the Powerlong CM Group and/or its associates under the Subsisting Agreements separately on a project-by-project basis. The transactions contemplated under the Subsisting Agreements did not constitute continuing connected transactions of the Company at the relevant time. Subsequently, following the Restructuring Effective Date, the continuing transactions under the Subsisting Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company indirectly holds approximately 5.6% of the issued share capital of Powerlong CM through Powerlong Real Estate (BVI) Holdings Limited. Powerlong CM is held as to 25% by its largest shareholder, Prime Capital Investment Limited, which is in turn owned as to 51% by Mr. Hoi Chin Ho Kalson (son of Mr. Hoi Wa Fong and grandson of Mr. Hoi Kin Hong, both of whom are executive Directors) and as to 49% by Ms. Hoi Wa Lam (cousin of Mr. Hoi Wa Fong and Ms. Hoi Wa Fan, a non-executive Director). Accordingly, Powerlong CM is deemed to be a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the 2026 Car Parking Lots Management Services Framework Agreement, 2026 Residential Property Management Services Framework Agreement, 2026 Commercial Operational Services Framework Agreement, and 2026 Common Area and Advertising Space Management Services Framework Agreement and the transactions contemplated thereunder therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the proposed annual caps under the 2026 Residential Property Management Services Framework Agreement is more than 0.1% but all of them are less than 5%, the 2026 Residential Property Management Services Framework Agreement is subject to reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the proposed annual caps under each of the 2026 Framework Agreements is more than 5%, each of the 2026 Framework Agreements is subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, if the Group has entered into an agreement for a fixed period with fixed terms for a continuing transaction, and the transaction subsequently becomes a continuing connected transaction, the Company must, as soon as practicable after becoming aware of this fact, comply with the annual review and disclosure requirements including publishing an announcement and annual reporting if the Group continues to conduct the transaction under the agreement. Accordingly, if the Group continues to conduct the transactions under the Subsisting Agreements following the completion of the Restructuring (upon which the transactions thereunder became continuing connected transactions of the Company), the Company is required to comply with the aforesaid annual review and disclosure requirements.

EGM

The EGM will be convened and held to seek the approval of the Independent Shareholders for entering into the 2026 Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions).

Gram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2026 Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions).

CIRCULAR

A circular containing, among other things, (i) further information on the 2026 Framework Agreements; (ii) the notice of the EGM; (iii) the letter from the Independent Financial Adviser to both the Independent Board Committee and the Independent Shareholders regarding the 2026 Framework Agreements and the transactions contemplated thereunder; and (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, will be despatched to the Shareholders as soon as practicable. It is currently expected that the circular will be despatched to the Shareholders on or before 30 November 2026 (which is more than 15 business days after the publication of this announcement) as additional time is required to finalise the contents of the circular.

BACKGROUND

Reference is made to the announcement of Powerlong CM dated 15 September 2023 and the circular of Powerlong CM dated 30 October 2023 in relation to the Existing Framework Agreements, namely the (1) 2023 Car Parking Lots Management Services Framework Agreement, (2) 2023 Residential Property Management Services Framework Agreement, (3) 2023 Commercial Operational Services Framework Agreement, and (4) 2023 Common Area and Advertising Space Management Services Framework Agreement. The Existing Framework Agreements are due to expire on 31 December 2026.

The Board is pleased to announce that, on 6 November 2026 (after trading hours), the Company entered into the 2026 Car Parking Lots Management Services Framework Agreement, 2026 Residential Property Management Services Framework Agreement, 2026 Commercial Operational Services Framework Agreement, and 2026 Common Area and Advertising Space Management Services Framework Agreement with Powerlong CM.

CONTINUING CONNECTED TRANSACTIONS AND THEIR RESPECTIVE ANNUAL CAPS

1. 2026 Car Parking Lots Management Services Framework Agreement

Set out below is a summary of the principal terms of the 2026 Car Parking Lots Management Services Framework Agreement:

Date: 6 November 2026

Parties:
(i) the Company; and
(ii) Powerlong CM.

Subject: Pursuant to the 2026 Car Parking Lots Management Services Framework Agreement, the Powerlong CM Group and/or its associates shall lease and manage certain car parking lots owned by the Group and/or its associates, which will be subleased by the Powerlong CM Group and/or its associates to customers in the properties managed by the Powerlong CM Group (the "**Car Parking Lots Management Services**"). The Group and/or its associates will receive an annual rent from the Powerlong CM Group and/or its associates, while the income generated from the car parking lots and received by the Powerlong CM Group and/or its associates from Independent Third-Party customers will not constitute continuing connected transactions for the Group and/or its associates.

The 2026 Car Parking Lots Management Services Framework Agreement is a framework agreement which provides the mechanism for the Powerlong CM Group and/or its associates' leasing and management of certain car parking lots owned by the Group and/or its associates on a project-by-project basis. It is envisaged that from time to time and as required, individual transaction agreements will be required to be entered into between the Group and/or its associates and the Powerlong CM Group and/or its associates. Each individual transaction agreement may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the 2026 Car Parking Lots Management Services Framework Agreement. As the individual transaction agreements are simply further elaborations on the 2026 Car Parking Lots Management Services Framework Agreement, they do not constitute new categories of connected transactions as far as the Listing Rules are concerned.

Term: From 1 January 2027 to 31 December 2029 (both days inclusive).

Historical annual caps

The annual caps for the rental fees payable under the 2023 Car Parking Lots Management Services Framework Agreement for the three years ending 31 December 2026 were as follows:

For the year ended 31 December	**Annual cap** *(RMB million)*	**Actual transaction amount** *(RMB million)*
2024	149.9	77.2
2025	189.1	79.0
2026 (up till 30 June 2026)	222.4	53.3

The Directors confirmed that the existing annual cap under the 2023 Car Parking Lots Management Services Framework Agreement for the year ending 31 December 2026 has not been exceeded up to the date of this announcement.

Proposed annual caps and their basis

The proposed annual caps for the rental fees payable under the 2026 Car Parking Lots Management Services Framework Agreement for the three years ending 31 December 2029 are as follows:

For the year ending 31 December	**Proposed annual cap** *(RMB million)*
2027	215.4
2028	247.7
2029	284.8

The above annual caps have been determined primarily by reference to:

(a) the actual rental fees paid by the Powerlong CM Group and its associates to the Group under the 2023 Car Parking Lots Management Services Framework Agreement for the years ended 31 December 2024 and 2025 and the period from 1 January 2026 to 30 June 2026;

(b) the number of existing car parking lots under management by the Powerlong CM Group and its associates as at the date of this announcement;

(c) the projected fees payable by the Powerlong CM Group and its associates based on the existing contracts and the expected increase in the number of car parking lots based on the development plan of the Group for the years ending 31 December 2027, 2028 and 2029; and

(d) the estimated increment of rental fees based on the commercial negotiation between the Group and the Powerlong CM Group and its associates.

Pricing policy

The rent to be paid by the Powerlong CM Group to the Group under the 2026 Car Parking Lots Management Services Framework Agreement shall be determined on arm's length basis with reference to, among others, (i) the market rental fee of car parking lots in similar locations and similar properties; and (ii) the occupancy rate of car parking lots leased by the Powerlong CM Group and its associates from the Group.

Reasons for and benefits of the 2026 Car Parking Lots Management Services Framework Agreement

As the 2023 Car Parking Lots Management Services Framework Agreement is due to expire on 31 December 2026 and it is expected that the Powerlong CM Group and/or its associates will continue to lease and manage the car parking lots owned by the Group for subleasing to Independent Third Party customers of the Powerlong CM Group and/or its associates from time to time in their ordinary course of business, the 2026 Car Parking Lots Management Services Framework Agreement is entered into so that the Group may continue to make available the relevant car parking lots to the Powerlong CM Group and/or its associates and generate rental income therefrom.

The Directors (excluding the independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Adviser) consider that (i) the transactions contemplated under the 2026 Car Parking Lots Management Services Framework Agreement are entered into in the usual and ordinary course of business of the Group, are conducted on normal commercial terms between the Group and the Powerlong CM Group, are fair and reasonable, and in the interest of the Company and the Shareholders as a whole, and (ii) the proposed annual caps for the three years ending 31 December 2029 for those transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. 2026 Residential Property Management Services Framework Agreement

Set out below is a summary of the principal terms of the 2026 Residential Property Management Services Framework Agreement:

Date: 6 November 2026

Parties: (i) the Company; and
(ii) Powerlong CM.

Subject: Pursuant to the 2026 Residential Property Management Services Framework Agreement, the Powerlong CM Group and/or its associates shall provide to the Group and/or its associates certain residential property management services, including but not limited to (i) residential property management services for unsold units and sales offices owned by the Group and/or its associates; and (ii) early stage initiation services, including but not limited to providing staff training before the delivery of the properties and initial residential property management services before the completion of property projects, and housing inspection services on properties developed by the Group and/or its associates upon completion of construction and before delivery of the same to homeowners (the "**Residential Property Management Services**").

Term: From 1 January 2027 to 31 December 2029 (both days inclusive).

Historical annual caps

The annual caps for the provision of Residential Property Management Services under the 2023 Residential Property Management Services Framework Agreement for the three years ending 31 December 2026 were as follows:

For the year ended 31 December	**Annual cap** *(RMB million)*	**Actual transaction amount** *(RMB million)*
2024	151.0	27.5
2025	169.0	8.7
2026 (up till 30 June 2026)	182.0	4.5

The Directors confirmed that the existing annual cap under the 2023 Residential Property Management Services Framework Agreement for the year ending 31 December 2026 has not been exceeded up to the date of this announcement.

Proposed annual caps and their basis

The proposed annual caps for the provision of Residential Property Management Services under the 2026 Residential Property Management Services Framework Agreement for the three years ending 31 December 2029 are as follows:

For the year ending 31 December	**Proposed annual cap** *(RMB million)*
2027	18.9
2028	21.6
2029	21.3

The above annual caps have been determined primarily by reference to:

(a) the actual transaction amount for the provision of Residential Property Management Services for the years ended 31 December 2024 and 2025 and the period from 1 January 2026 to 30 June 2026; and

(b) the projected demand of the Group for the Residential Property Management Services, having regard to the expanded scope of services to cover front-end intermediary, household inspection, repair services and end-of-sale sales services, as well as the increase in gross area of residential properties developed by the Group and managed by the Powerlong CM Group and/or its associates.

Pricing policy

The service fees payable by the Group to Powerlong CM for the Residential Property Management Services shall be determined after arm's length negotiations and taking into account (i) the nature of the properties; (ii) the location of the properties; (iii) the rate generally offered by the Powerlong CM Group and/or its associates to Independent Third Parties in respect of comparable services; (iv) the anticipated operational costs (including labour costs and material costs) of the Powerlong CM Group and/or its associates; and (v) comparable market prices quoted from at least two independent service providers. The service fees shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and must not be less favourable than the standard fees obtainable or offered by service providers who are Independent Third Parties.

Reasons for and benefits of the 2026 Residential Property Management Services Framework Agreement

The Group has been receiving Residential Property Management Services from the Powerlong CM Group and its associates in their ordinary course of business. As the 2023 Residential Property Management Services Framework Agreement is due to expire on 31 December 2026 and it is anticipated that the Powerlong CM Group and its associates will continue to provide Residential Property Management Services to the Group, the 2026 Residential Property Management Services Framework Agreement is entered into so that the Group may continue to receive Residential Property Management Services from the Powerlong CM Group and its associates in support of the operation of the Group's property projects.

The Directors (including the independent non-executive Directors) consider that (i) the transactions contemplated under the 2026 Residential Property Management Services Framework Agreement are entered into in the usual and ordinary course of business of the Group, are conducted on normal commercial terms between the Group and the Powerlong CM Group, are fair and reasonable, and in the interest of the Company and the Shareholders as a whole, and (ii) the proposed annual caps for the three years ending 31 December 2029 for those transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. 2026 Commercial Operational Services Framework Agreement

Set out below is a summary of the principal terms of the 2026 Commercial Operational Services Framework Agreement:

Date: 6 November 2026

Parties: (i) the Company; and
(ii) Powerlong CM.

Subject: Pursuant to the 2026 Commercial Operational Services Framework Agreement, the Powerlong CM Group and/or its associates shall provide to the Group and/or its associates certain commercial operational services on the commercial buildings owned or operated by the Group and/or its associates, including but not limited to, (i) market research and positioning, (ii) tenant sourcing and opening preparation; and (iii) tenant management and rent collection (the "**Commercial Operational Services**").

Term: From 1 January 2027 to 31 December 2029 (both days inclusive).

Historical annual caps

The annual caps for the provision of Commercial Operational Services under the 2023 Commercial Operational Services Framework Agreement for the three years ending 31 December 2026 were as follows:

For the year ended 31 December	**Annual cap** *(RMB million)*	**Actual transaction amount** *(RMB million)*
2024	471.0	228.0
2025	573.2	225.9
2026 (up till 30 June 2026)	653.9	114.0

The Directors confirmed that the existing annual cap under the 2023 Commercial Operational Services Framework Agreement for the year ending 31 December 2026 has not been exceeded up to the date of this announcement.

Proposed annual caps and their basis

The proposed annual caps for the provision of Commercial Operational Services under the 2026 Commercial Operational Services Framework Agreement for the three years ending 31 December 2029 are as follows:

For the year ending 31 December	**Proposed annual cap** *(RMB million)*
2027	257.9
2028	269.0
2029	337.5

The above annual caps have been determined primarily by reference to:

(a) the actual transaction amount for the provision of Commercial Operational Services for the years ended 31 December 2024 and 2025 and the period from 1 January 2026 to 30 June 2026; and

(b) the projected demand of the Group for the Commercial Operational Services and the increase in the number of commercial properties delivered or to be delivered by the Group in 2026 and beyond.

Pricing policy

The service fees payable by the Group for the Commercial Operational Services shall be determined after arm's length negotiations with reference to (i) the location and size of the properties; (ii) the anticipated operational cost (including labour costs) of the Powerlong CM Group and/or its associates for providing such services; and (iii) the price offered by the Powerlong CM Group and/or its associates to independent property developers for similar services.

Reasons for and benefits of the 2026 Commercial Operational Services Framework Agreement

The Group has been receiving Commercial Operational Services from the Powerlong CM Group and its associates in their ordinary course of business. As the 2023 Commercial Operational Services Framework Agreement is due to expire on 31 December 2026 and it is anticipated that the Powerlong CM Group and its associates will continue to provide Commercial Operational Services to the Group, the 2026 Commercial Operational Services Framework Agreement is entered into so that the Group may continue to receive Commercial Operational Services from the Powerlong CM Group and its associates in support of the operation of the Group's commercial properties.

The Directors (excluding the independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Adviser) consider that (i) the transactions contemplated under the 2026 Commercial Operational Services Framework Agreement are entered into in the usual and ordinary course of business of the Group, are conducted on normal commercial terms between the Group and the Powerlong CM Group, are fair and reasonable, and in the interest of the Company and the Shareholders as a whole, and (ii) the proposed annual caps for the three years ending 31 December 2029 for those transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. 2026 Common Area and Advertising Space Management Services Framework Agreement

Set out below is a summary of the principal terms of the 2026 Common Area and Advertising Space Management Services Framework Agreement:

Date: 6 November 2026

Parties: (i) the Company; and
(ii) Powerlong CM.

Subject: Pursuant to the 2026 Common Area and Advertising Space Management Services Framework Agreement, the Powerlong CM Group and/or its associates shall manage certain common area and advertising space in the properties owned by the Group and/or its associates, and sublease to the Independent Third Parties by the Powerlong CM Group and/or its associates (the "**Common Area and Advertising Space Management Services**"). The Powerlong CM Group and/or its associates will pay rents to the Group and/or its associates. Revenue to be generated from common area and advertising space management and revenue to be received by the Powerlong CM Group and/or its associates from Independent Third-Party customers shall not constitute continuing connected transactions of the Group.

Term: From 1 January 2027 to 31 December 2029 (both days inclusive).

Historical annual caps

The annual caps for the provision of Common Area and Advertising Space Management Services under the 2023 Common Area and Advertising Space Management Services Framework Agreement for the three years ending 31 December 2026 were as follows:

For the year ended 31 December	**Annual cap** *(RMB million)*	**Actual transaction amount** *(RMB million)*
2024	221.3	170.5
2025	255.1	175.7
2026 (up till 30 June 2026)	307.4	80.6

The Directors confirmed that the existing annual cap under the 2023 Common Area and Advertising Space Management Services Framework Agreement for the year ending 31 December 2026 has not been exceeded up to the date of this announcement.

Proposed annual caps and their basis

The proposed annual caps for the provision of Common Area and Advertising Space Management Services under the 2026 Common Area and Advertising Space Management Services Framework Agreement for the three years ending 31 December 2029 are as follows:

For the year ending 31 December	**Proposed annual cap** *(RMB million)*
2027	255.9
2028	294.3
2029	338.4

The above annual caps have been determined primarily by reference to:

(a) the actual rental fees paid by the Powerlong CM Group and its associates to the Group under the 2023 Common Area and Advertising Space Management Services Framework Agreement for the years ended 31 December 2024 and 2025 and the period from 1 January 2026 to 30 June 2026;

(b) the existing GFA of common area and advertising space under management by the Powerlong CM Group and its associates as of the date of this announcement;

(c) the projected fees payable by the Powerlong CM Group and its associates based on the existing contracts and the expected increase in the total GFA of common area and advertising space based on the development plan of the Group and its associates for the years ending 31 December 2027, 2028 and 2029; and

(d) the estimated increment of rental fees based on the commercial negotiation between the Group and the Powerlong CM Group and its associates.

Pricing policy

The fees to be paid by the Powerlong CM Group to the Group under the 2026 Common Area and Advertising Space Management Services Framework Agreement shall be determined on arm's length basis with reference to, among others, (i) the market rent of the common area and advertising space in similar locations and similar properties; and (ii) the occupancy rate of the common area and advertising space leased by the Powerlong CM Group and its associates from the Group.

Reasons for and benefits of the 2026 Common Area and Advertising Space Management Services Framework Agreement

The Group has been making available common area and advertising space to, and the Powerlong CM Group and its associates have been providing Common Area and Advertising Space Management Services in respect of, the properties owned by the Group in their ordinary course of business. As the 2023 Common Area and Advertising Space Management Services Framework Agreement is due to expire on 31 December 2026 and it is anticipated that such arrangements will continue, the 2026 Common Area and Advertising Space Management Services Framework Agreement is entered into so that the Group may continue to make available the relevant common area and advertising space to the Powerlong CM Group and its associates and generate rental income therefrom.

The Directors (excluding the independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Adviser) consider that (i) the transactions contemplated under the 2026 Common Area and Advertising Space Management Services Framework Agreement are entered into in the usual and ordinary course of business of the Group, are conducted on normal commercial terms between the Group and the Powerlong CM Group, are fair and reasonable, and in the interest of the Company and the Shareholders as a whole, and (ii) the proposed annual caps for the three years ending 31 December 2029 for those transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

As a general principle, the price and terms of the individual service agreements contemplated under the 2026 Car Parking Lots Management Services Framework Agreement, 2026 Residential Property Management Services Framework Agreement, 2026 Commercial Operational Services Framework Agreement, and 2026 Common Area and Advertising Space Management Services Framework Agreement 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 favourable to the Group than those offered by other independent service providers.

The respective pricing policies for the continuing connected transactions of the Group 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 policies 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 relevant agreement and will also regularly review whether the price charged/paid for a specific transaction is fair and reasonable and in accordance with the applicable pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under these framework agreements 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 transactions contemplated under these framework agreements will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

SUBSISTING AGREEMENTS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

As disclosed in the Company's circular dated 28 May 2026 (the "**Restructuring Circular**"), the Company has intended to implement the restructuring of certain debts of the Group, which involves, among other things, the disposal of 160,725,000 shares and the transfer of 208,299,600 shares in Powerlong CM held by the Company as part of the restructuring (collectively, the "**Restructuring**"). For details, please refer to the circular of the Company dated 28 May 2026.

Prior to the completion of the Restructuring, the Group has entered into various continuing transactions with the Powerlong CM Group and/or its associates under the Subsisting Agreements separately on a project-by-project basis. At the time when the Subsisting Agreements were entered into, completion of the Restructuring had not taken place; thus, Powerlong CM was still a non-wholly owned subsidiary of the Company and did not constitute a connected person of the Company. The transactions contemplated under the Subsisting Agreements therefore did not constitute continuing connected transactions of the Company at the relevant time.

Subsequently, following the Restructuring Effective Date (as defined under the Restructuring Circular) that occurred on 6 November 2026, the continuing transactions under the Subsisting Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to the Rule 14A.60(1) of the Listing Rules, the information on the Subsisting Agreements is set out in the following categories:

(1) Car Parking Lots Management Services

During the period from 1 January 2024 to the Restructuring Effective Date, the Group entered into a number of Subsisting Agreements with the Powerlong CM Group and/or its associates in respect of the Car Parking Lots Management Services under the 2023 Car Parking Lots Management Services Framework Agreement.

Nature of transactions

Pursuant to these Subsisting Agreements, the Powerlong CM Group and/or its associates shall lease and manage certain car parking lots owned by the Group which will be subleased by the Powerlong CM Group and/or its associates to customers in the properties managed by the Powerlong CM Group. The Group shall receive an annual rent from the Powerlong CM Group and/or its associates.

The terms of the Subsisting Agreements in respect of the Car Parking Lots Management Services are expected to expire in succession on or before 31 December 2026, unless otherwise continued, extended or renewed and will then be governed by the 2026 Car Parking Lots Management Services Framework Agreement, if materialised.

Transaction amount

Please refer to the section headed "Continuing Connected Transactions and Their Respective Annual Caps – 1. 2026 Car Parking Lots Management Services Framework Agreement – Historical annual caps" for details of the historical transaction amount incurred under the Subsisting Agreements in respect of the Car Parking Lots Management Services. The total transaction amount of continuing transactions under these agreements from the Restructuring Effective Date to 31 December 2026 is expected to be approximately RMB23.1 million.

The rent paid or payable to the Group under these Subsisting Agreements was determined on arm's length basis with reference to, among others, (i) the market rental fee of car parking lots in similar locations and similar properties; and (ii) the occupancy rate of car parking lots leased by the Powerlong CM Group and its associates from the Group.

(2) Residential Property Management Services

During the period from 1 January 2024 to the Restructuring Effective Date, the Group entered into a number of Subsisting Agreements with the Powerlong CM Group and/or its associates in respect of the Residential Property Management Services under the 2023 Residential Property Management Services Framework Agreement.

Nature of transactions

Pursuant to these Subsisting Agreements, the Powerlong CM Group and/or its associates shall provide to the Group certain residential property management services, including but not limited to (i) residential property management services for unsold units and sales offices owned by the Group; and (ii) early stage initiation services, including but not limited to providing staff training before the delivery of the properties and initial residential property management services before the completion of property projects, and housing inspection services on properties developed by the Group upon completion of construction and before delivery of the same to homeowners.

The terms of the Subsisting Agreements in respect of the Residential Property Management Services are expected to expire in succession on or before 31 December 2026, unless otherwise continued, extended or renewed and will then be governed by the 2026 Residential Property Management Services Framework Agreement, if materialised.

Transaction amount

Please refer to the section headed "Continuing Connected Transactions and Their Respective Annual Caps – 2. 2026 Residential Property Management Services Framework Agreement – Historical annual caps" for details of the historical transaction amount incurred under the Subsisting Agreements in respect of the Residential Property Management Services. The total transaction amount of continuing transactions under these agreements from the Restructuring Effective Date to 31 December 2026 is expected to be approximately RMB2.2 million.

The service fees paid or payable by the Group for the Residential Property Management Services were determined after arm's length negotiations and taking into account (i) the nature of the properties; (ii) the location of the properties; (iii) the rate generally offered by the Powerlong CM Group and/or its associates to Independent Third Parties in respect of comparable services; (iv) the anticipated operational costs (including labour costs and material costs) of the Powerlong CM Group and/or its associates; and (v) comparable market prices quoted from at least two independent service providers. The service fees shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and must not be less favourable than the standard fees obtainable or offered by service providers who are Independent Third Parties.

(3) Commercial Operational Services

During the period from 1 January 2024 to the Restructuring Effective Date, the Group entered into a number of Subsisting Agreements with the Powerlong CM Group and/or its associates in respect of the Commercial Operational Services under the 2023 Commercial Operational Services Framework Agreement.

Nature of transactions

Pursuant to these Subsisting Agreements, the Powerlong CM Group and/or its associates shall provide to the Group certain commercial operational services on the commercial buildings owned or operated by the Group, including but not limited to, (i) market research and positioning, (ii) tenant sourcing and opening preparation; and (iii) tenant management and rent collection.

The terms of the Subsisting Agreements in respect of the Commercial Operational Services are expected to expire in succession on or before 31 December 2026, unless otherwise continued, extended or renewed and will then be governed by the 2026 Commercial Operational Services Framework Agreement, if materialised.

Transaction amount

Please refer to the section headed "Continuing Connected Transactions and Their Respective Annual Caps – 3. 2026 Commercial Operational Services Framework Agreement – Historical annual caps" for details of the historical transaction amount incurred under the Subsisting Agreements in respect of the Commercial Operational Services. The total transaction amount of continuing transactions under these agreements from the Restructuring Effective Date to 31 December 2026 is expected to be approximately RMB33.3 million.

The service fees paid or payable by the Group for the Commercial Operational Services were determined after arm's length negotiations and taking into account (i) the location and size of the properties; (ii) the anticipated operational cost (including labour costs) of the Powerlong CM Group and/or its associates for providing such services; and (iii) the price offered by the Powerlong CM Group and/or its associates to independent property developers for similar services.

(4) Common Area and Advertising Space Management Services

During the period from 1 January 2024 to the Restructuring Effective Date, the Group entered into a number of Subsisting Agreements with the Powerlong CM Group and/or its associates in respect of the Common Area and Advertising Space Management Services under the 2023 Common Area and Advertising Space Management Services Framework Agreement.

Nature of transactions

Pursuant to these Subsisting Agreements, the Powerlong CM Group and/or its associates shall manage certain common area and advertising space in the properties owned by the Group, and sublease to the Independent Third Parties by the Powerlong CM Group and/or its associates. The Powerlong CM Group and/or its associates will pay rents to the Group.

The terms of the Subsisting Agreements in respect of the Common Area and Advertising Space Management Services are expected to expire in succession on or before 31 December 2026, unless otherwise continued, extended or renewed and will then be governed by the 2026 Common Area and Advertising Space Management Services Framework Agreement, if materialised.

Transaction amount

Please refer to the section headed "Continuing Connected Transactions and Their Respective Annual Caps – 4. 2026 Common Area and Advertising Space Management Services Framework Agreement – Historical annual caps" for details of the historical transaction amount incurred under the Subsisting Agreements in respect of the Common Area and Advertising Space Management Services. The total transaction amount of continuing transactions under these agreements from the Restructuring Effective Date to 31 December 2026 is expected to be approximately RMB33.5 million.

The rent paid or payable to the Group under these Subsisting Agreements was determined on arm's length basis with reference to, among others, (i) the market rent of the common area and advertising space in similar locations and similar properties; and (ii) the occupancy rate of the common area and advertising space leased by the Powerlong CM Group and its associates from the Group.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the fees paid or charged by the Group under each of the Subsisting Agreements were arrived at after arm's length negotiations between the Company and relevant counterparties. Based on the same reasons mentioned in the paragraphs headed "Reasons for and benefits of the 2026 Car Parking Lots Management Services Framework Agreement", "Reasons for and benefits of the 2026 Residential Property Management Services Framework Agreement", "Reasons for and benefits of the 2026 Commercial Operational Services Framework Agreement" and "Reasons for and benefits of the 2026 Common Area and Advertising Space Management Services Framework Agreement" of this announcement, the continuation of the connected transactions under the Subsisting Agreements also supports the Group's ability to maintain stable, efficient and uninterrupted operations.

Based on the foregoing, the Directors (including independent non-executive Directors) are of the view that each of the Subsisting Agreements and the transactions thereunder have been entered into in the ordinary and usual course of business of the Group, are in the interests of the Company and its Shareholders as a whole, are on normal commercial terms or better and the terms are fair and reasonable.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company indirectly holds approximately 5.6% of the issued share capital of Powerlong CM through Powerlong Real Estate (BVI) Holdings Limited. Powerlong CM is held as to 25% by its largest shareholder, Prime Capital Investment Limited, which is in turn owned as to 51% by Mr. Hoi Chin Ho Kalson (son of Mr. Hoi Wa Fong and grandson of Mr. Hoi Kin Hong, both of whom are executive Directors) and as to 49% by Ms. Hoi Wa Lam (cousin of Mr. Hoi Wa Fong and Ms. Hoi Wa Fan, a non-executive Director). Accordingly, Powerlong CM is deemed to be a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the 2026 Car Parking Lots Management Services Framework Agreement, 2026 Residential Property Management Services Framework Agreement, 2026 Commercial Operational Services Framework Agreement, and 2026 Common Area and Advertising Space Management Services Framework Agreement and the transactions contemplated thereunder therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the proposed annual caps under the 2026 Residential Property Management Services Framework Agreement is more than 0.1% but all of them are less than 5%, the 2026 Residential Property Management Services Framework Agreement is subject to reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the proposed annual caps under each of the 2026 Framework Agreements is more than 5%, each of the 2026 Framework Agreements is subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, if the Group has entered into an agreement for a fixed period with fixed terms for a continuing transaction, and the transaction subsequently becomes a continuing connected transaction, the Company must, as soon as practicable after becoming aware of this fact, comply with the annual review and disclosure requirements including publishing an announcement and annual reporting if the Group continues to conduct the transaction under the agreement. Accordingly, if the Group continues to conduct the transactions under the Subsisting Agreements following the completion of the Restructuring (upon which the transactions thereunder became continuing connected transactions of the Company), the Company is required to comply with the aforesaid annual review and disclosure requirements.

If any of the Subsisting Agreements is amended or renewed, the Company will further comply with all the applicable requirements of reporting, disclosure and independent Shareholders' approval (if applicable) under Chapter 14A of the Listing Rules.

GENERAL

As at the date of this announcement, Mr. Hoi Wa Fong is an executive Director of the Company and also an executive Director of Powerlong CM, and Ms. Hoi Wa Fan is a non-executive Director of the Company and also a non-executive Director of Powerlong CM. In addition, Mr. Hoi Kin Hong, the chairman and an executive Director of the Company, together

with the other members of the Hoi family, is a controlling shareholder of each of the Company and Powerlong CM. Accordingly, each of Mr. Hoi Wa Fong, Ms. Hoi Wa Fan and Mr. Hoi Kin Hong is considered to have a material interest in the transactions contemplated under the 2026 Car Parking Lots Management Services Framework Agreement, 2026 Residential Property Management Services Framework Agreement, 2026 Commercial Operational Services Framework Agreement, and 2026 Common Area and Advertising Space Management Services Framework Agreement and the continuation of the Subsisting Agreements, and has abstained from voting on the Board resolutions to approve the entering into or the continuation of these agreements.

EGM

The EGM will be convened and held to seek the approval of the Independent Shareholders for entering into the 2026 Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions). Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Ms. Hoi Wa Fan and their respective associates (including Skylong Holdings Limited, Sky Infinity Holdings Limited and Walong Holdings Limited, who in aggregate hold 2,714,035,400 shares of the Company, representing approximately 65.55% of the issued share capital of the Company, as at the date of this announcement) shall abstain from voting at the EGM for the resolutions to approve such matters.

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Au Yeung Po Fung, Dr. Mei Jian Ping, Dr. Ding Zu Yu and Ms. Liu Xiao Lan, has been established to advise the Independent Shareholders in relation to the 2026 Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions). Gram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

CIRCULAR

A circular containing, among other things, (i) further information on the 2026 Framework Agreements; (ii) the notice of the EGM; (iii) the letter from the Independent Financial Adviser to both the Independent Board Committee and the Independent Shareholders regarding the 2026 Framework Agreements and the transactions contemplated thereunder; and (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, will be despatched to the Shareholders as soon as practicable. It is currently expected that the circular will be despatched to the Shareholders on or before 30 November 2026 (which is more than 15 business days after the publication of this announcement) as additional time is required to finalise the contents of the circular.

INFORMATION OF THE PARTIES INVOLVED

The Company is an investment holding company and the Group is a leading real estate developer in the PRC specializing in the development and operation of high quality, large-scale and integrated commercial and residential complexes.

Powerlong CM is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9909). Powerlong CM Group is principally engaged in the provision of commercial operational services and residential property management services in the PRC.

DEFINITIONS

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

"2023 Announcement"	the announcement of Powerlong CM dated 15 September 2023 regarding, among others, the Existing Framework Agreements
"2023 Car Parking Lots Management Services Framework Agreement"	the framework agreement entered into between Powerlong CM and the Company on 15 September 2023 in relation to the Powerlong CM Group's leasing and management of the car parking lots owned by the Group and its associates which will be subleased to customers in the properties managed by the Powerlong CM Group
"2023 Circular"	the circular of Powerlong CM dated 30 October 2023 regarding, among others, the Existing Framework Agreements
"2023 Commercial Operational Services Framework Agreement"	the framework agreement entered into between Powerlong CM and the Company on 15 September 2023 in relation to the provision of Commercial Operational Services by the Powerlong CM Group to the Group and its associates
"2023 Common Area and Advertising Space Management Services Framework Agreement"	the framework agreement entered into between Powerlong CM and the Company on 15 September 2023 in relation to the provision of Common Area and Advertising Space Management Services by the Powerlong CM Group to the Group and its associates
"2023 Residential Property Management Services Framework Agreement"	the framework agreement entered into between Powerlong CM and the Company on 15 September 2023 in relation to the provision of Residential Property Management Services by the Powerlong CM Group to the Group and its associates
"2026 Car Parking Lots Management Services Framework Agreement"	the framework agreement entered into between the Company and Powerlong CM on 6 November 2026 in relation to the Powerlong CM Group and its associates' leasing and management of the car parking lots owned by the Group and/or its associates which will be subleased to customers in the properties managed by the Powerlong CM Group and/or its associates

"2026 Commercial Operational Services Framework Agreement"	the framework agreement entered into between the Company and Powerlong CM on 6 November 2026 in relation to the provision of Commercial Operational Services by the Powerlong CM Group and/or its associates to the Group and/or its associates
"2026 Common Area and Advertising Space Management Services Framework Agreement"	the framework agreement entered into between the Company and Powerlong CM on 6 November 2026 in relation to the provision of Common Area and Advertising Space Management Services by the Powerlong CM Group and/or its associates to the Group and/or its associates
"2026 Framework Agreements"	collectively, the 2026 Car Parking Lots Management Services Framework Agreement, 2026 Commercial Operational Services Framework Agreement, and 2026 Common Area and Advertising Space Management Services Framework Agreement
"2026 Residential Property Management Services Framework Agreement"	the framework agreement entered into between the Company and Powerlong CM on 6 November 2026 in relation to the provision of Residential Property Management Services by the Powerlong CM Group and/or its associates to the Group and/or its associates
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Car Parking Lots Management Services"	as defined under the section headed "1. 2026 Car Parking Lots Management Services Framework Agreement" of this announcement
"Commercial Operational Services"	as defined under the section headed "3. 2026 Commercial Operational Services Framework Agreement" of this announcement
"Common Area and Advertising Space Management Services"	as defined under the section headed "4. 2026 Common Area and Advertising Space Management Services Framework Agreement" of this announcement
"Company"	Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1238)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the 2026 Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions)
"Existing Framework Agreements"	collectively, the 2023 Car Parking Lots Management Services Framework Agreement, 2023 Residential Property Management Services Framework Agreement, 2023 Commercial Operational Services Framework Agreement, and 2023 Common Area and Advertising Space Management Services Framework Agreement
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"Independent Board Committee"	an independent board committee comprising all independent non-executive Directors, namely Mr. Au Yeung Po Fung, Dr. Mei Jian Ping, Dr. Ding Zu Yu and Ms. Liu Xiao Lan, formed to advise the Independent Shareholders in relation to each of the 2026 Framework Agreements, the transactions contemplated thereunder and the proposed annual caps for those transactions for the three years ending 31 December 2029
"Independent Financial Adviser"	Gram Capital Limited, a corporation licensed to carry Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on each of the 2026 Framework Agreements and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders who are not interested in or involved in the 2026 Framework Agreements
"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
"Powerlong CM" or "Powerlong Commercial Management"	Powerlong Commercial Management Holdings Limited (寶龍商業管理控股有限公司), 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 (stock code: 9909)
"Powerlong CM Group"	Powerlong CM and its subsidiaries

"PRC"	the People's Republic of China
"Restructuring"	has the meaning ascribed to it in this announcement
"Restructuring Circular"	the Company's circular dated 28 May 2026 in respect of the Restructuring
"Restructuring Effective Date"	has the meaning as defined under the Restructuring Circular
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	holder(s) of the Shares
"Shares"	ordinary share(s) in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsisting Agreements"	collectively, the agreements entered into between the Company and Powerlong CM, the details of which are set out in the section headed "Subsisting Agreements Pursuant to Rule 14A.60(1) of the Listing Rules" of this announcement
"%"	per cent.

By order of the Board
Powerlong Real Estate Holdings Limited
Hoi Kin Hong
Chairman

Hong Kong, 6 November 2026

As at the date of this announcement, the executive Directors are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping and Mr. Zhang Hong Feng; the non-executive Director is Ms. Hoi Wa Fan; and the independent non-executive Directors are Mr. Au Yeung Po Fung, Dr. Mei Jian Ping, Dr. Ding Zu Yu and Ms. Liu Xiao Lan.