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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)

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE 2025 FINANCIAL FRAMEWORK AGREEMENT

2025 FINANCIAL FRAMEWORK AGREEMENT

The Board hereby announces that on 10 July 2025 (after trading hours), the Company and Poly Finance entered into the 2025 Financial Framework Agreement, with a term of three years, from 11 July 2025 to 10 July 2028. Pursuant to the 2025 Financial Framework Agreement, the Company and the Mainland Entities will utilize financial services including Deposit Services, unsecured loan financing services and settlement services offered by Poly Finance.

LISTING RULES IMPLICATIONS

Poly Finance is owned as to 88.65% by China Poly and its associates, with the Company holding the remaining 11.35%. As China Poly and its associates are substantial shareholders of the Company holding approximately 48.09% of the issued share capital of the Company, Poly Finance is an associate of a Connected Person of the Company under Chapter 14A of the Listing Rules. Consequently, the 2025 Financial Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the Proposed Annual Caps under the 2025 Financial Framework Agreement and the transactions contemplated thereunder exceeds 0.1% but is less than 5%, the 2025 Financial Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the requirement of Independent Shareholders' approval under Chapter 14A of the Listing Rules.

The financing services as may be provided by Poly Finance under the 2025 Financial Framework Agreement will be conducted on normal commercial terms, with interest rates no higher than those offered by major independent state-owned commercial banks in the PRC for comparable loans of the same tenor, and no security over the assets of the Group will be provided. Pursuant to Rule 14A.90, such transactions are fully exempt from the connected transaction requirements, and accordingly, no cap has been set for such services.

The settlement services as may be provided by Poly Finance under the 2025 Financial Framework Agreement are free of charge, and therefore are exempt from the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules, and accordingly, no cap has been set for such services.

The Company will disclose the relevant details of the 2025 Financial Framework Agreement in its next published annual report in accordance with the requirements stipulated under Rule 14A.49 of the Listing Rules.

2025 FINANCIAL FRAMEWORK AGREEMENT

Reference is made to the 2022 Announcement relating to the 2022 Financial Framework Agreement. The Board hereby announces that on 10 July 2025 (after trading hours), the Company and Poly Finance entered into the 2025 Financial Framework Agreement, with a term of three years, from 11 July 2025 to 10 July 2028. Pursuant to the 2025 Financial Framework Agreement, the Company and the Mainland Entities will utilize financial services including Deposit Services, unsecured loan financing services and settlement services offered by Poly Finance.

The principal terms of the 2025 Financial Framework Agreement are as below.

PRINCIPAL TERMS OF THE 2025 FINANCIAL FRAMEWORK AGREEMENT

Date 10 July 2025

Parties the Company and Poly Finance

Term

The term of the 2025 Financial Framework Agreement is three years from 11 July 2025 to 10 July 2028. Upon expiry of the 2025 Financial Framework Agreement, the parties may renew the agreement for a further period to be mutually agreed between the parties subject to compliance with any applicable requirements under the Listing Rules.

Scope of financial services

Poly Finance will provide the Company and the Mainland Entities with (1) Deposit Services; (2) financing services on an unsecured basis; and (3) settlement services.

The 2025 Financial Framework Agreement is on a non-exclusive basis and the Group is free to choose other third-party financial institutions or commercial banks to provide any of the financial services set out in the 2025 Financial Framework Agreement.

Pricing Policy

Poly Finance has undertaken to provide the above financial services to the Company and the Mainland Entities based on the following pricing policy:

- (1) the deposit interest rates offered by Poly Finance to the Company and the Mainland Entities shall not be lower than those offered by major independent state-owned commercial banks in the PRC for deposits of the same type and tenor;
- (2) Poly Finance undertakes to provide loans to the Mainland Entities at interest rates no higher than those offered by major independent state-owned commercial banks in the PRC for comparable loans of the same tenor. All loans provided by Poly Finance to the Company and the Mainland Entities will not require the Group to provide securities over the assets of the Group; and
- (3) the settlement services provided by Poly Finance to the Company and the Mainland Entities are free of charge.

As part of the Group's internal procedures relating to the transactions with Poly Finance, the Group will refer to the prevailing market interest rates and the deposit rates for RMB-denominated deposits set by the People's Bank of China ("PBOC") at the time for deposit services of the same type and tenor before it enters into any new deposit arrangement with Poly Finance. This comparative analysis ensures that the offer from Poly Finance is not lower than those offered by major independent state-owned commercial banks in the PRC for deposits of the same type and tenor.

Further, for the purpose of ensuring the interest rates in respect of the deposits placed by the Group with Poly Finance will not be lower than those offered by major independent state-owned commercial banks in the PRC for the deposits of the same type and tenor, the Company's finance department will be responsible for liaising with Poly Finance and will review quarterly the interest rates and commercial terms on deposits offered by at least three major independent state-owned commercial banks in the PRC, and will then obtain their quotations on deposits via conducting online enquiries. The above steps would ensure the interest rates to be provided by Poly Finance to the Group will not be lower than the interest rates offered by the comparable banks for deposits of the same type and tenor. Also, to determine whether the commercial terms provided by Poly Finance are favourable, apart from considering the deposit interest rate provided, the Group will also consider other factors, to the extent applicable, including: (i) any applicable settlement fees; and (ii) efficiency of the withdrawal procedure. The Group may withdraw the deposits on the same day on which its instruction is given to Poly Finance in accordance with its procedural requirements. The Group has the discretion in deciding whether or not to use the Deposit Services provided by Poly Finance. If the Group considers the interest rate and other commercial terms offered by Poly Finance do not meet the above requirements, the Group is not obliged to use the Deposit Services provided by Poly Finance.

Proposed Annual Caps for the 2025 Financial Framework Agreement

Deposit Services

Historical figures

The historical maximum daily balance of deposits placed by the Company and the Mainland Entities with Poly Finance in respect of 2023 and 2024 were as follows:

For the year ended	(RMB '000)	(HK\$ '000)
31 December 2023	2,499,785	2,747,016
31 December 2024	2,498,536	2,745,644

Under the 2022 Financial Framework Agreement, the Group and Poly Finance agreed that the maximum daily balance of deposits placed by the Group with Poly Finance would be capped at RMB2,500,000,000.

Proposed Annual Caps

The 2025 Financial Framework Agreement provides a maximum daily deposit balance of RMB250,000,000 (equivalent to approximately HK\$274,725,000) as the Proposed Annual Caps for the Deposit Services for a term of three years from 11 July 2025 to 10 July 2028:

	(RMB '000)	(HK\$ '000)
Proposed maximum daily deposit balance		

For a term from 11 July 2025 to 10 July 2028	250,000	274,725
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In determining the above Proposed Annual Caps, the Company has taken into consideration the historical daily deposit balances and cash positions over the past three years, the current and projected cash flow conditions of the Company and the Mainland Entities, and the anticipated business operation scale and financial service requirements of the Company and the Mainland Entities going forward.

Furthermore, the Company has given due regard to Poly Finance's regulatory oversight by the NFRA, along with its satisfactory operating results and financial position with good risks control and well-regulated management in its track record. The safety standards of Poly Finance's settlement system are comparable with those of domestic commercial banks.

The deposit transactions form part of the daily operations of the Group. The commercial terms offered by Poly Finance in respect of such transactions are no less favourable than those offered by major independent state-owned commercial banks in the PRC for comparable services to the Group. The Company considers that the cooperation between the Company and the Mainland Entities and Poly Finance not only can reduce finance costs, increase interest income of deposits, lower settlement costs but also can diversify risks.

The Board has also evaluated the Group's operational needs and projected demand for Poly Finance's financial services for the years 2025, 2026, 2027 and 2028.

Financing services on an unsecured basis

The financing services as may be provided by Poly Finance under the 2025 Financial Framework Agreement will be conducted on normal commercial terms, with interest rates no higher than those offered by major independent state-owned commercial banks in the PRC for comparable loans of the same tenor, and no security over the assets of the Group will be provided. Pursuant to Rule 14A.90, such transactions are fully exempt from the connected transaction requirements, and accordingly, no cap has been set for such services.

Settlement services

The settlement services as may be provided by Poly Finance to the Company and the Mainland Entities are free of charge, and therefore are exempt from the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules, and accordingly, no cap has been set for such services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 FINANCIAL FRAMEWORK AGREEMENT

The reasons for and benefits of entering into the 2025 Financial Framework Agreement are set out below:

- (i) the interest rates on deposits offered by Poly Finance to the Company and the Mainland Entities are no lower than those offered by major independent state-owned commercial banks in the PRC generally, and the Group may increase interest income of deposits and reduce finance costs;
- (ii) as an internal financial institution of China Poly Group, Poly Finance communicates with the Group more conveniently and efficiently as compared with other major independent state-owned commercial banks in the PRC;
- (iii) the services provided by Poly Finance is of lower capital risk, considering that (a) the Company is a shareholder of Poly Finance; (b) a representative of the Company is on the board of directors of Poly Finance; and (c) the 2025 Financial Framework Agreement has a set-off clause that gives the Company the right to offset deposits placed with the loans borrowed from Poly Finance;
- (iv) Poly Finance is regulated by the NFRA. It has good risk control and compliant management. Its settlement system maintains security standards equivalent to major independent domestic commercial banks, thereby safeguarding the Group's fund security.
- (v) the Group's monetary funds are currently deposited in several banks. The deposit arrangement with Poly Finance helps to diversify the Group's deposit risks;

- (vi) the Deposit Services provided by Poly Finance have no restriction on the flow of deposits. The Group may flexibly allocate cash deposits across varying tenors to optimize cash flow management.
- (vii) Poly Finance undertakes that the interest rates on loans extended to the Group shall not be higher than those offered by major independent state-owned commercial banks in the PRC for loans of the same type and tenor. When the Group needs funds, the loan interest rate is minimized to reduce financing costs;
- (viii) the terms of loans of Poly Finance are comparable to those of major independent state-owned commercial banks in the PRC. As an internal financial institution of China Poly Group, Poly Finance has a better understanding of the operating characteristics of the Group and can specifically design professional and customized credit service plans for the Group;
- (ix) the credit services provided by Poly Finance are more flexible. The Group is not obliged to use the credit services; and
- (x) the settlement services provided by Poly Finance are free of charge, which reduces finance costs of the Group.

There has not been any default in the repayment obligations by Poly Finance under the deposit services provided to the Group.

The deposit transactions form part of the daily operations of the Group. The commercial terms (including interest rates) offered by Poly Finance in respect of such transactions are no less favorable than those offered by major independent state-owned commercial banks in the PRC for services of the same type and tenor to the Company and the Mainland Entities. Further, the Group can earn interest from the deposits. As none of the Directors have a material interest in the 2025 Financial Framework Agreement and the transactions contemplated thereunder, no Director was required to abstain from voting at the Board meeting considering and approving the abovementioned matters.

The Directors (including independent non-executive Directors of the Company) considered the terms of the 2025 Financial Framework Agreement are determined in arm's length between the Company and Poly Finance and the entering into of the 2025 Financial Framework Agreement is in the Group's ordinary course of business, and the terms of the 2025 Financial Framework Agreement together with the Proposed Annual Caps are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

To ensure that the Deposit Services are executed in accordance with the 2025 Financial Framework Agreement and its pricing policy, the Company has adopted a series of internal control measures and policies in relation to cash management, including (but not limited to):

- (1) the Company's management and finance department will closely monitor the use of Deposit Services contemplated under the 2025 Financial Framework Agreement, including conducting ongoing and timely enquiries to monitor and ensure that existing and ongoing cash balance with Poly Finance remain within the Proposed Annual Caps;
- (2) Poly Finance will assist the Group in annual reviews for managing the Group's deposits placed with Poly Finance, including providing data and records such as the fund flows, interest rates and deposit balances, and other data and records which may be necessary for the Company's auditor to report the relevant continuing connected transactions;
- (3) the Company's auditor will report annually to the Company's Board, based on the auditor's work, in accordance with Rule 14A.56 of the Listing Rules, including whether any exceptions are noted on the pricing policy of the transactions and the daily deposit balances have exceeded the annual caps of the use of the Deposit Services, and the Company will disclose such conclusion in the Company's annual report;
- (4) the independent non-executive Directors of the Company will review the implementation and use of the Deposit Services to ensure that they are carried out in accordance with the terms contemplated under the 2025 Financial Framework Agreement (including the pricing policy);
- (5) in the event where the annual caps under the Deposit Services require adjustment due to business development needs or other reasons, arrangements shall be subject to strict compliance with the applicable requirements under the Listing Rules and to be made in advance;
- (6) the Company shall regularly review and obtain the relevant documents such as financial statements and audit reports of Poly Finance to assess its financial risk and position;
- (7) the Company could withdraw the deposits placed with Poly Finance or, failing which, offset the deposits placed with the loans borrowed from Poly Finance pursuant to the 2025 Financial Framework Agreement; and
- (8) Poly Finance is a non-bank financial institution subject to supervision of the NFRA and shall operate business in accordance with the Measures for the Administration of Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) (the "Administrative Measures") issued by the NFRA for the purpose of overseeing the operation and reducing the possibility of financial risks of finance companies of enterprise groups. The Administrative Measures set forth several rules/measures on supervision, management and risk control with regard to operating finance companies of enterprise groups, including but not limited to maintaining certain financial ratios and report to the NFRA.

INFORMATION RELATING TO THE PARTIES

The Group

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

China Poly

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

Poly Finance

Poly Finance is a non-banking financial institution with a financial license and was established with the approval of the NFRA. As a non-banking financial institution, Poly Finance is subject to ongoing supervision by the NFRA and is required to comply with applicable regulations relating to interest rates issued by the PBOC. Poly Finance is also subject to various regulatory and capital adequacy requirements, including capital adequacy ratios, loan-to-deposit ratios, limit on interbank loans and deposit reserve thresholds. The principal business of Poly Finance includes the provision of deposit services, loan financing services, settlement services and miscellaneous financial services.

Poly Finance is a Sino-foreign joint venture non-bank financial institution established in the PRC on 11 March 2008 and is owned as to 88.65% by China Poly Group and its associates, with the remaining 11.35% held by our Company.

LISTING RULES IMPLICATIONS

Poly Finance is owned as to 88.65% by China Poly and its associates, with the Company holding the remaining 11.35%. As China Poly and its associates are substantial shareholders of the Company holding approximately 48.09% of the issued share capital of the Company, Poly Finance is an associate of a Connected Person of the Company under Chapter 14A of the Listing Rules. Consequently, the 2025 Financial Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the Proposed Annual Caps under the 2025 Financial Framework Agreement and the transactions contemplated thereunder exceeds 0.1% but is less than 5%, the 2025 Financial Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the requirement of Independent

Shareholders' approval under Chapter 14A of the Listing Rules.

The financing services as may be provided by Poly Finance under the 2025 Financial Framework Agreement will be conducted on normal commercial terms, with interest rates no higher than those offered by major independent state-owned commercial banks in the PRC for comparable loans of the same tenor, and no security over the assets of the Group will be provided. Pursuant to Rule 14A.90, such transactions are fully exempt from the connected transaction requirements, and accordingly, no cap has been set for such services.

The settlement services as may be provided by Poly Finance under the 2025 Financial Framework Agreement are free of charge, and therefore are exempt from the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules, and accordingly, no cap has been set for such services.

The Company will disclose the relevant details of the 2025 Financial Framework Agreement in its next published annual report in accordance with the requirements stipulated under Rule 14A.49 of the Listing Rules.

DEFINITIONS

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

“2022 Announcement”	the announcement of the Company dated 19 May 2022
“2022 Financial Framework Agreement”	the financial framework agreement entered into between the Company and Poly Finance on 19 May 2022 for the provision of deposit services, unsecured loan financing services, unsecured guarantee services and settlement services
“2025 Financial Framework Agreement”	the financial framework agreement entered into between the Company and Poly Finance on 10 July 2025 for the provision of Deposit Services, unsecured loan financing services and settlement services
“Board”	the board of Directors
“China Poly”	中國保利集團有限公司 (China Poly Group Corporation Limited*), a state-owned enterprise established in the PRC, a substantial shareholder of the Company, and together with its associates, hold approximately 48.09% of the total issued share capital of the Company
“China Poly Group”	China Poly and its subsidiaries (excluding the Company and subsidiaries 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
“Deposit Services”	the provision of deposit services as contemplated under the 2025 Financial Framework Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC

“Independent Shareholder(s)”	the Shareholder(s) other than China Poly Group and its associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mainland Entity(ies)”	the subsidiary(ies) of the Company established in the Mainland China
“NFRA”	the National Financial Regulatory Administration, which was formerly known as the China Banking and Insurance Regulatory Commission
“Poly Finance”	保利財務有限公司 (Poly Finance Company Limited*), a joint venture entity established under the laws of the PRC
“PRC” or “China”	People’s Republic of China
“Proposed Annual Cap(s)”	the annual cap(s) for the Deposit Service(s)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For illustration purposes, the amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00=RMB0.91.

** For identification purposes only*

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

Hong Kong, 10 July 2025

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. Gong Jian 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.