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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO PROVISION OF LOAN
TO A JOINT VENTURE COMPANY**

PROVISION OF LOAN TO A JOINT VENTURE COMPANY

On 29 July 2022, SZ Baoda, an indirect 50% owned subsidiary of the Company (as lender), SZ Baocheng, a 50% owned joint venture company (as borrower), SZ Baolong, an indirect 100% owned subsidiary of the Company (as the borrower's directly 50% owned shareholder) and SZ Qinchengda, an Independent Third Party of the Company (as the borrower's directly 50% owned shareholder) entered into the Loan Agreement, pursuant to which SZ Baoda agreed to grant the Loan in the amount of RMB200 million to SZ Baocheng.

Immediately preceding the Transaction, SZ Baolong, an indirect wholly-owned subsidiary of the Company, had granted the Existing Loans in the amount of approximately RMB78,420,000 to SZ Baocheng, which is proportionate to the Group's equity interest in SZ Baocheng. SZ Qinchengda, the joint venture partner of SZ Baocheng, which holds the remaining 50% interest in SZ Baocheng, also granted loans in the same amount as the Existing Loans to SZ Baocheng. Both the Existing Loans and loans from SZ Qinchengda to SZ Baocheng have the same terms and conditions, are unsecured, interest-free and have no fixed terms of repayment.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the provision of the Existing Loans do not exceed 5%, the Existing Loans do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

However, when the provision of Loan is aggregated with the Existing Loans, one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% and all of which are below 25%, and accordingly, the Transaction together with the Existing Loans constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

PROVISION OF LOAN TO A JOINT VENTURE COMPANY

On 29 July 2022, SZ Baoda, an indirect 50% owned subsidiary of the Company (as lender), SZ Baocheng, a 50% owned joint venture company (as borrower), SZ Baolong, an indirect 100% owned subsidiary of the Company (as the borrower's directly 50% owned shareholder) and SZ Qinchengda, an Independent Third Party of the Company (as the borrower's directly 50% owned shareholder) entered into the Loan Agreement, pursuant to which SZ Baoda agreed to grant the Loan in the amount of RMB200 million to SZ Baocheng.

Immediately preceding the Transaction, SZ Baolong, an indirect wholly-owned subsidiary of the Company, had granted the Existing Loans in the amount of approximately RMB78,420,000 to SZ Baocheng, which is proportionate to the Group's equity interest in SZ Baocheng. SZ Qinchengda, the joint venture partner of SZ Baocheng, which holds the remaining 50% interest in SZ Baocheng, also granted loans in the same amount as the Existing Loans to SZ Baocheng. Both the Existing Loans and loans from SZ Qinchengda to SZ Baocheng have the same terms and conditions, are unsecured, interest-free and have no fixed terms of repayment.

Principal Terms of the Loan Agreement

Date	:	29 July 2022
Lender	:	SZ Baoda
Borrower	:	SZ Baocheng
The borrower's shareholder	:	SZ Baolong (Directly holds 50% interest)
The borrower's shareholder	:	SZ Qinchengda (Directly holds 50% interest)
Principal amount	:	RMB200 million

The Loan is interest-free, has no fixed term, and is unsecured. The purpose of the Loan is for SZ Baocheng's production and operational needs. SZ Baoda has the right to request repayment of the Loan at any time, and SZ Baocheng shall repay the Loan within 15 working days from the date of receipt of the written notice from SZ Baoda. If the borrower fails to repay the Loan to the lender, the borrower's shareholders undertake in accordance with each 50% interest in the borrower, i) to provide shareholders' loans to the borrower for repayment of the corresponding Loans and liquidated damages under the Loan Agreement; or ii) to repay the borrower's corresponding Loans and liquidated damages directly to the lender under the Loan Agreement.

The amount of the Loan was determined after arm's length negotiation between SZ Baoda and SZ Baocheng.

Funding of the Loan

The Loan will be funded by internal resources of SZ Baoda.

Reasons and Benefits of Provision of the Loan to SZ Baocheng

Both the Group and SZ Qinchengda each have 50% of interest in the capital of SZ Baocheng and SZ Baoda, respectively. The principal business of SZ Baocheng and SZ Baoda are property development. As at the date of this announcement, SZ Baoda does not have any shareholders' loans and funds held by SZ Baoda are generated from its operations. The Group and SZ Qinchengda are of the view that it is in the best interest of both parties to utilize the surplus funds of any one of the Project Companies and grant loans to the other Project Company and vice versa, as required. The provision of the Loan will facilitate efficient usage of the funds held by the Project Companies as a whole, which will enhance the development of the property projects held by the Project Companies. The arrangement will also reduce the demand of

shareholders' loans of the Project Companies as a whole.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Loan Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION RELATING TO 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.

SZ Baolong is a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company, which is principally engaged in investment holding. It holds the 50% equity interest in the capital of SZ Baocheng.

INFORMATION RELATING TO SZ BAOCHENG

SZ Baocheng is a limited liability company established in the PRC and is a 50% owned joint venture company of the Company, and is principally engaged in the business of property development. SZ Qinchengda holds the remaining 50% equity interest in the capital of SZ Baocheng.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Keenstar International (Holdings) Company Limited and Shenzhen Qinchengda Group Co., Limited* (深圳市勤誠達集團有限公司) owned 66% and 34% of the equity interest in SZ Qinchengda, respectively. Gu Yaoming* (古耀明) owned 100% of the equity interest in Keenstar International (Holdings) Company Limited. Shenzhen Qinchengda Investment Limited* (深圳市勤誠達投資有限公司) and Qinchengda Holdings Limited* (勤誠達控股有限公司) owned 70% and 30% of the equity interest in Shenzhen Qinchengda Group Co., Limited, respectively. Keenstar Industrial Development Co., Limited owned 100% of the equity interest in Shenzhen Qinchengda Investment Limited. Keenland Co., Ltd. owned 100% of the equity interest in Keenstar Industrial Development Co., Limited. Gu Hanning* (古漢寧) owned 100% of the equity interest in Keenland Co., Ltd. Gu Hanning and Liao Xinyuan* (廖新源) owned 99% and 1% of the equity interest in Qinchengda Holdings Limited, respectively. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Gu Yaoming, Gu Hanning and Liao Xinyuan are Independent Third Parties independent of the Company and its connected persons.

INFORMATION RELATING TO SZ BAODA

SZ Baoda is a limited liability company established in the PRC. It is an indirect 50% owned subsidiary of the Company, which is principally engaged in the business of property development and is an insignificant subsidiary of the Company as defined in Rule 14A.09(1) of the Listing Rules. SZ Qinchengda holds the remaining 50% equity interest in the capital of SZ Baoda.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the provision of the Existing Loans do not exceed 5%, they do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

However, when the provision of the Loan is aggregated with the Existing Loans, one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% and all of which are below 25%, and accordingly, the entering into the Transaction together with the Existing Loans constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“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
“Directors”	directors of the Company
“Existing Loans”	the unsecured loans advanced to SZ Baocheng by SZ Baolong, an indirect wholly-owned subsidiary of the Company, in the amount of approximately RMB78,420,000 immediately preceding the Transaction
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	has the meaning ascribed to it under the Listing Rules

“Loan”	the loan in the amount of RMB200 million provided by SZ Baoda to SZ Baocheng pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 29 July 2022 entered into between SZ Baoda as lender, SZ Baocheng as borrower, SZ Baolong as the borrower’s directly 50% owned shareholder and SZ Qinchengda as the borrower’s directly 50% owned shareholder in relation to the Loan
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Project Company(ies)”	SZ Baocheng and/or SZ Baoda
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Baocheng”	Shenzhen Baocheng Real Estate Development Co., Limited* (深圳市保誠房地產開發有限公司), a limited liability company established in the PRC, which principally engaged in business of property development and is a 50% owned joint venture company of the Company
“SZ Baoda”	Shenzhen Baoda Real Estate Development Co., Limited* (深圳市保達房地產開發有限公司), a limited liability company established in the PRC, which principally engaged in business of property development and is an indirect 50% owned subsidiary of the Company
“SZ Baolong”	Shenzhen Baolong Industrial Co., Limited* (深圳市保龍實業有限公司), a limited liability company established in the PRC, which holds 50% interest in the capital of SZ Baocheng, and is an indirect wholly-owned subsidiary of the Company

“SZ Qinchengda”	Shenzhen Qinchengda Real Estate Co., Limited* (深圳勤誠達地產有限公司), a limited liability company established in the PRC, which holds each of the 50% interest in the capital of SZ Baocheng and SZ Baoda
“Transaction”	the provision of the Loan to SZ Baocheng by SZ Baoda pursuant to the Loan Agreement
“%”	per cent.

** For identification purpose only*

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

Hong Kong, 29 July 2022

As at the date of this announcement, the executive directors of the Company are Mr. Wan Yuqing, Mr. Wang Jian and Mr. Ye Liwen, the non-executive director of the Company is Mr. Guo Jianquan, and the independent non-executive directors of the Company are Mr. Ip Chun Chung, Robert, Mr. Fung Chi Kin, Miss Leung Sau Fan, Sylvia and Mr. Wong Ka Lun.