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POLY PROPERTY SERVICES CO., LTD.

保利物業服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 06049)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL SUMMARY

	Year ended 31 December		Change
	2022 <i>RMB million</i>	2021 <i>RMB million</i>	
Revenue	13,686.7	10,782.5	Increase 26.9%
Gross profit	2,573.8	2,014.6	Increase 27.8%
Gross profit margin	18.81%	18.68%	Increase 0.13 percentage points
Profit for the year	1,133.3	870.9	Increase 30.1%
Net profit margin	8.3%	8.1%	Increase 0.2 percentage points
Profit for the year attributable to owners of the Company	1,112.9	845.7	Increase 31.6%
Basic earnings per share (<i>RMB</i>)	2.014	1.528	Increase 31.8%
Cash and cash equivalents	8,956.3	7,690.6	Increase 16.5%

- For the year ended 31 December 2022 (the “**year**” or “**period**”), Poly Property Services Co., Ltd. (the “**Company**” or “**Poly Property**”, and together with its subsidiaries, the “**Group**” or “**we**”) recorded approximately RMB13,686.7 million of revenue, representing an increase of approximately 26.9% as compared to the corresponding period of 2021. For the year ended 31 December 2022, revenue contribution by the Group’s three major business lines was as follows: (i) revenue from property management services increased by approximately 26.4% to approximately RMB8,428.4 million as compared to the corresponding period of 2021; (ii) revenue from value-added services to non-property owners increased by approximately 21.2% to approximately RMB2,194.6 million as compared to the corresponding period of 2021; and (iii) revenue from community value-added services increased by approximately 33.1% to approximately RMB3,063.6 million as compared to the corresponding period of 2021.
- For the year ended 31 December 2022, the Group recorded (i) approximately RMB2,573.8 million of gross profit, representing an increase of approximately 27.8% as compared to the corresponding period of 2021 with a gross profit margin of 18.81%, representing an increase of approximately 0.13 percentage points as compared to 2021; (ii) approximately RMB1,133.3 million of profit for the year, representing an increase of approximately 30.1% as compared to the corresponding period of 2021 with a net profit margin of approximately 8.3%, representing an increase of approximately 0.2 percentage points as compared to the corresponding period of 2021; (iii) approximately RMB1,112.9 million of profit for the year attributable to owners of the Company, representing an increase of approximately 31.6% as compared to the corresponding period of 2021; and (iv) approximately RMB2.014 of basic earnings per share.
- As at 31 December 2022, the cash and cash equivalents of the Group amounted to approximately RMB8,956.3 million, representing an increase of approximately 16.5% as compared to the corresponding period of 2021.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces the audited consolidated results of the Group for the year ended 31 December 2022, together with comparative figures for the corresponding period of 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	13,686,662	10,782,549
Cost of services		<u>(11,112,818)</u>	<u>(8,767,909)</u>
Gross profit		2,573,844	2,014,640
Other income and other gains and losses, net	5	163,996	153,909
Selling and marketing expenses		(6,370)	(9,460)
Administrative expenses		(1,207,019)	(1,006,025)
Other expenses		(1,661)	(1,979)
Share of results of associates and joint venture		(4,803)	21,915
Finance costs	6	<u>(4,629)</u>	<u>(10,563)</u>
Profit before tax	6	1,513,358	1,162,437
Income tax expense	7	<u>(380,009)</u>	<u>(291,553)</u>
Profit for the year		<u>1,133,349</u>	<u>870,884</u>
Profits for the year attributable to:			
– Owners of the Company		1,112,933	845,693
– Non-controlling interests		<u>20,416</u>	<u>25,191</u>
		<u>1,133,349</u>	<u>870,884</u>

	Year ended 31 December	
	2022	2021
<i>Notes</i>	RMB'000	RMB'000
Other comprehensive income, net of tax		
Item that will not be reclassified to profit or loss:		
Fair value gain on equity instruments at fair value through other comprehensive income	—	7,000
Other comprehensive income for the year, net of tax	—	7,000
Total comprehensive income for the year	1,133,349	877,884
Total comprehensive income for the year attributable to:		
– Owners of the Company	1,112,933	852,693
– Non-controlling interests	20,416	25,191
	1,133,349	877,884
Earnings per share (expressed in RMB per share)		
Basic and diluted	9 2.01	1.53

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2022	2021
		RMB'000	RMB'000
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		218,873	199,506
Leased assets and investment properties		512,476	704,039
Intangible assets	<i>10</i>	114,783	125,126
Interests in associates and joint venture		68,182	72,985
Financial assets at fair value through other comprehensive income		12,000	12,000
Prepayments for property, plant and equipment	<i>12</i>	10,884	13,327
Deferred tax assets		39,409	20,372
		<hr/> 976,607	<hr/> 1,147,355
Current assets			
Inventories		40,408	50,559
Trade and bills receivables	<i>11</i>	2,263,249	1,424,778
Prepayments, deposits and other receivables	<i>12</i>	872,957	824,659
Cash and cash equivalents		8,956,316	7,690,572
		<hr/> 12,132,930	<hr/> 9,990,568
Current liabilities			
Trade payables	<i>13</i>	1,574,871	803,640
Accruals and other payables		1,988,900	1,780,840
Contract liabilities	<i>14</i>	1,429,000	1,381,095
Lease liabilities		38,294	35,851
Income tax payable		153,997	134,736
		<hr/> 5,185,062	<hr/> 4,136,162
Net current assets		<hr/> 6,947,868	<hr/> 5,854,406
Total assets less current liabilities		<hr/> 7,924,475	<hr/> 7,001,761

		As at 31 December	
		2022	2021
	<i>Notes</i>	RMB'000	RMB'000
Non-current liabilities			
Lease liabilities		68,921	78,741
Deferred tax liabilities		10,725	12,921
Other financial liabilities		–	21,337
		79,646	112,999
Net assets		7,844,829	6,888,762
Capital and reserves			
Share capital	15	553,333	553,333
Reserves		7,137,291	6,232,333
Equity attributable to owners of the Company		7,690,624	6,785,666
Non-controlling interests		154,205	103,096
Total equity		7,844,829	6,888,762

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Poly Property Services Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 26 June 1996 under the PRC Companies Law. On 25 October 2016, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company’s registered office is located at 48-49/F, Poly Plaza, No. 832 Yue Jiang Zhong Road, Hai Zhu District, Guangzhou, Guangdong Province, the PRC. The Company’s principal place of business is located at the PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 December 2019.

The Company’s immediate holding company is Poly Developments and Holdings Group Co., Ltd (“**Poly Developments and Holdings**”) whose shares are listed on the Mainboard of Shanghai Stock Exchange in the PRC. The Company’s ultimate holding company is China Poly Group Corporation Limited, a state-owned enterprise established in the PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of property management services, value-added services to non-property owners and community value-added services in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”) which is the functional currency of the Company, unless otherwise stated.

2 APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

2.1 Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.2 New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

The Group anticipates that the application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing the performance of the operating segment, has been identified as the executive directors of the Company.

The Group operates in the provision of property management services, value-added services to non-property owners and community value-added services and the CODM of the Company regards that there is only one segment which is used to make strategic decisions. Accordingly, no other discrete financial information is provided other than the Group’s results and financial position as a whole and only entity-wide disclosures, major customers and geographic information are presented.

Geographical information

The major operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group’s revenue was derived in the PRC during the years ended 31 December 2022 and 2021.

As at 31 December 2022 and 2021, all of the non-current assets were located in the PRC.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 December	
	2022	2021
	RMB’000	RMB’000
Poly Development and Holdings and its subsidiaries	<u>1,996,314</u>	<u>1,507,396</u>

4. REVENUE

Revenue mainly comprises of proceeds from property management services, value-added services to non-property owners and community value-added services. The disaggregation of the Group's revenue by category for the years ended 31 December 2022 and 2021 was as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Types of goods or services		
Property management services	8,428,388	6,670,397
Value-added services to non-property owner		
– Pre-delivery services and other value-added services to non-property owner	1,787,099	1,506,387
Community value-added services	3,063,633	2,300,921
	<hr/>	<hr/>
Revenue from contracts with customers	13,279,120	10,477,705
Value-added services to non-property owner		
– Rental income	407,542	304,844
	<hr/>	<hr/>
Total	13,686,662	10,782,549
	<hr/>	<hr/>
	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Timing of revenue recognition		
Property management services		
– Over time	8,428,388	6,670,397
Value-added services to non-property owners		
– Over time	1,787,099	1,506,387
– Over the lease term	407,542	304,844
Community value-added services		
– Over time	1,697,856	1,506,489
– At a point in time	1,365,777	794,432
	<hr/>	<hr/>
Total	13,686,662	10,782,549
	<hr/>	<hr/>

5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Other income:		
Bank interest income	66,724	80,088
Other interest income (<i>Note (a)</i>)	13,182	21,644
Government grants and tax incentives (<i>Note (b)</i>)	99,012	81,552
Penalty income	5,317	2,277
Others	180	1,364
	<u>184,415</u>	<u>186,925</u>
Other gains and losses, net:		
Gain on modification of lease contracts, net	2	8,942
Gain/(loss) on disposal of property, plant and equipment, net	95	(190)
Impairment loss on trade and bills receivables	(31,442)	(22,765)
Impairment loss on deposits and other receivables	(14,825)	(7,869)
Impairment loss on interests in an associate	–	(1,309)
Exchange gain/(loss), net	27,103	(8,872)
Change in fair value of equity payable at fair value through profit and loss	(1,352)	(953)
	<u>(20,419)</u>	<u>(33,016)</u>
	<u>163,996</u>	<u>153,909</u>

Notes:

- (a) Other interest income mainly represented the interest received from the amounts due from a related party and deposits maintained with a fellow subsidiary of the Company, Poly Finance Company Limited.
- (b) Government grants mainly represented the financial support received from the local government as an incentive for business development and there are no unfulfilled conditions attached to the government grants. Tax incentives mainly included additional deduction of input value-added tax applicable to the Company and its certain subsidiaries.

6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Depreciation of property, plant and equipment	85,190	70,527
Depreciation of leased assets and investment properties	286,253	240,653
Amortisation of intangible assets (including in “Cost of services”)	10,343	11,011
	<u>381,786</u>	<u>322,191</u>
Auditor’s remuneration		
– Audit services	2,760	2,460
– Non-audit services	–	532
	<u>2,760</u>	<u>2,992</u>
Finance costs – interest on lease liabilities	4,629	10,563
Cost of goods sold	1,237,217	726,265
Staff costs (including director’s emoluments):		
– Salaries and bonus	3,998,311	3,739,219
– Pension costs, housing funds, medical insurances and other social insurances	657,486	563,270
– Equity-settled share-based expenses	21,316	–
	<u>4,677,113</u>	<u>4,302,489</u>

7. INCOME TAX EXPENSE

Taxation in the consolidated statement of profit or loss and other comprehensive income:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax (“EIT”):		
– Provided for the year	388,998	300,542
– Under-provision in respect of prior years	12,244	3,442
	<u>401,242</u>	<u>303,984</u>
Deferred tax	<u>(21,233)</u>	<u>(12,431)</u>
	<u>380,009</u>	<u>291,553</u>

No provision for Hong Kong Profits Tax has been made to the Group had no assessable profits arising in Hong Kong for the years ended 31 December 2022 and 2021.

The PRC EIT represents tax charged on the estimated assessable profits arising in the PRC. In general, the Group’s subsidiaries operating in the PRC are subject to PRC EIT rate of 25% (2021:25%), except for certain subsidiaries which are entitled to preferential tax rates, as determined in accordance with the relevant tax rules and regulations in the PRC.

8 DIVIDENDS

During the year ended 31 December 2021, final dividend of RMB237,933,362 (tax inclusive) in respect of 2020 was declared and paid.

During the year ended 31 December 2022, final dividend of RMB168,766,687 (tax inclusive) in respect of 2021 was declared and paid.

Subsequent to the end of the reporting period, the directors proposed a final dividend of RMB0.503 per share (tax inclusive) in respect of 2022, total amounted to RMB278,326,700 (tax inclusive) (2021: final dividend in respect of RMB0.305 per share, total amounted to RMB168,766,687 (tax inclusive)). The final dividend amount which shall be subject to the approval of the Shareholders at the annual general meeting to be held on 17 May 2023 has not been recognised as a liability at the end of the reporting period.

9 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Earnings		
Profit attributable to owners of the Company	<u>1,112,933</u>	<u>845,693</u>
	2022	2021
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (<i>Note</i>)	<u>552,690</u>	<u>553,333</u>

Note: On 18 February 2022, the shareholders of the Company approved the adoption of a restricted share incentive scheme. During the year ended 31 December 2022, 1,070,600 shares were purchased by an independent trustee appointed by the Group from the secondary market.

No diluted earnings per share has been presented as the Group did not have any dilutive potential ordinary shares outstanding during both years.

10 INTANGIBLE ASSETS

	Property management contracts <i>RMB'000</i>	Goodwill <i>RMB'000</i>	Total <i>RMB'000</i>
COST			
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	<u>88,000</u>	<u>64,897</u>	<u>152,897</u>
AMORTISATION			
At 1 January 2021	16,760	–	16,760
Amortisation	<u>11,011</u>	<u>–</u>	<u>11,011</u>
At 31 December 2021 and 1 January 2022	27,771	–	27,771
Amortisation	<u>10,343</u>	<u>–</u>	<u>10,343</u>
At 31 December 2022	<u>38,114</u>	<u>–</u>	<u>38,114</u>
NET CARRYING VALUE			
At 31 December 2022	<u>49,886</u>	<u>64,897</u>	<u>114,783</u>
At 31 December 2021	<u>60,229</u>	<u>64,897</u>	<u>125,126</u>

11 TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables		
– Related parties	620,170	389,073
– Third parties	<u>1,733,871</u>	<u>1,092,643</u>
	2,354,041	1,481,716
Less: allowances for credit losses	<u>(90,865)</u>	<u>(59,423)</u>
	2,263,176	1,422,293
Bills receivables	<u>73</u>	<u>2,485</u>
	<u>2,263,249</u>	<u>1,424,778</u>

As at 1 January 2021, trade receivables amounted to RMB883,751,000.

Trade receivables mainly arise from property management services income, value-added services income to non-property owners and community value-added services income.

All of the service income are due for payment upon issuance of demand note and most of the credit term was granted to property management services provided to public service projects range from 30 to 90 days in general.

13 TRADE PAYABLES

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Related parties	107,930	42,758
Third parties	1,466,941	760,882
	<u>1,574,871</u>	<u>803,640</u>

Most of the credit period on purchase of goods and services provided from suppliers is 30 to 90 days.

The ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Within 1 year	1,524,624	786,329
1 to 2 years	46,924	16,875
Over 2 years	3,323	436
	<u>1,574,871</u>	<u>803,640</u>

14 CONTRACT LIABILITIES

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Property management services	1,314,630	1,264,103
Value-added services to non-property owners	12,102	13,915
Community value-added services	102,268	103,077
	<u>1,429,000</u>	<u>1,381,095</u>

As at 1 January 2021, contract liabilities amounted to RMB1,181,881,000.

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Such liabilities increase as a result of the growth of the Group's business.

The Group encourage customers to prepay the service fee. This will give rise to contract liabilities at the start of a contract and receipt of the advance payments made by customers, until the revenue recognised on the relevant contract exceeds the amount of the prepayment. The Group typically receives one month to a year prepayment for the service contract.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities at the beginning of the year.

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
Property management services	1,034,267	1,003,276
Value-added services to non-property owners	13,866	14,080
Community value-added services	81,967	86,585
	<u>1,130,100</u>	<u>1,103,941</u>

(a) Unsatisfied performance obligations

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance completed to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts. The majority of the property management service contracts do not have a fixed term. The term of the contracts for value-added services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community value-added services, the contracts have an original expected duration of one year or less one year and the Group has also elected to apply practical expedient to these type of contracts such that the remaining performance obligation under these contracts are not disclosed.

(b) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2022 and 2021, there was no significant incremental costs to obtain a contract.

15 SHARE CAPITAL

	Domestic shares		Listed H shares		Total	
	Number	Amount	Number	Amount	Number	Amount
	'000	RMB'000	'000	RMB'000	'000	RMB'000
Registered, issued and fully paid:						
At 1 January 2021, 31 December 2021,						
1 January 2022 and 31 December 2022	400,000	400,000	153,333	153,333	553,333	553,333

The shares mentioned above rank pari passu in all respects with each other.

16 RESTRICTED SHARE INCENTIVE SCHEME

At the Company's extraordinary general meeting held on 18 February 2022, the shareholders of the Company approved the adoption of restricted share incentive scheme (the "Scheme"), with a duration of 10 years. Under the Scheme, the Company may grant restricted shares to qualified participants ("Scheme Participants"), subject to the fulfilment of certain performance conditions and service conditions.

All shares granted are subject to a lock-up period of 24 months commencing from the grant date, followed by an unlocking period of 24 months to 60 months. During the lock-up period, the shares granted to the Scheme Participants are not entitled to the right of disposal, such that the shares shall not be transferred, used as collateral or used for debt repayment. After the expiry of the lock-up period, if all conditions for unlocking have been fulfilled, Scheme Participants will be entitled to the related shares. The relevant shares granted shall be unlocked in three tranches in proportion, and unlocking proportion for the first, second and third tranches shall be 33%, 33% and 34% respectively.

On 26 April 2022, the Board approved to implement the initial grant ("Grant Date") pursuant to the Scheme. The first tranche of 4,654,200 restricted shares were granted, and 4,282,400 restricted shares were actually granted at a grant price of HK\$25.71 per share. For the year ended 31 December 2022, an amount aggregating to RMB94,797,000 was received from the Scheme Participants under the Scheme, which was recorded in accruals and other payables. The fair value of the shares granted on the Grant Date were determined as HK\$24.94 per share.

The following table discloses movements in number of restricted shares granted for the years ended 31 December 2022 and 2021:

	Number of restricted shares
At 1 January 2021, 31 December 2021 and 1 January 2022	–
Granted during the year	4,282,400
	<hr/>
At 31 December 2022	4,282,400
	<hr/>

As instructed by the Board, a trustee (the "Trustee") is appointed to purchase certain number of H shares from the secondary market for the Scheme, and the purchased shares will be held by the Trustee until such shares are vested in accordance with the provisions of the Scheme. Upon vesting, the Trustee will transfer the shares to the Scheme Participants. If the performance conditions or service conditions are not fulfilled and the corresponding tranche of shares granted to be vested cannot be unlocked, the restricted shares not unlocked shall be purchased back by the Trustee or other third parties in accordance with the Scheme.

During the year ended 31 December 2022, the Trustee has purchased 1,070,600 H shares at a total cash consideration of RMB45,912,000 (calculated at the exchange rate on the date of purchase), which was debited to the equity of the Company.

Movements of shares held by the Trustee under the Scheme were as follows:

	Number of restricted shares	Amount RMB'000
At 1 January 2021, 31 December 2021 and 1 January 2022	–	–
Shares purchased during the year	1,070,600	45,912
	<hr/>	<hr/>
At 31 December 2022	1,070,600	45,912
	<hr/>	<hr/>

The Group recognised the total share-based payment expense of RMB21,316,000 for the year ended 31 December 2022 (2021: Nil) in relation to restricted shares granted by the Company.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of the Group for the year ended 31 December 2022. During the year, the Group recorded a revenue of approximately RMB13,686.7 million, representing an increase of approximately 26.9% as compared to the corresponding period of 2021; a gross profit of approximately RMB2,573.8 million, representing an increase of approximately 27.8% as compared to the corresponding period of 2021; a profit for the year of approximately RMB1,133.3 million, representing an increase of approximately 30.1% as compared to the corresponding period of 2021; and a profit for the year attributable to owners of the Company of approximately RMB1,112.9 million, representing an increase of approximately 31.6% as compared to the corresponding period of 2021.

A review of 2022

Amid complexity and changes in the market, the industry became more volatile. There was an accelerated growth in the development and quickened differentiation represented by valuation and performance among listed property companies. At the same time, market challenges prompted the industry to return to the origin of development and focus on value creation, moving towards a healthier development model, with consensus on industry development significantly improved. In terms of growth mode, scale expansion has shifted to organic growth oriented, and expansion of non-residential business has gradually become the main force for market expansion. In terms of operation management, more attention has been put on winning the market with service quality and promoting the quality and efficiency of projects through lean management.

We believe that the industry is currently undergoing a period full of opportunities for rapid development. Along with the increasing pursuit of a better life by the people and the continuous advancement in refining grassroots governance, there will be an expanding market demand for high-quality property services. Given the industrial attributes of asset-light and strong cash flow in the property management industry have not changed, property companies with good brand and advantage in service offerings will usher in a multi-scenario and multi-level development space.

During the year, with the unremitting efforts of all our staff at Poly Property, the Group continued to maintain a good momentum of steady growth in its results and made solid progress towards the strategic goals of the Company's 14th Five-Year Plan.

1. Adhered to the intensive development strategy and achieved quality growth in scale

There has been intensified competition for market expansion in the industry. While maintaining the growth in scale expansion, we committed to continuously improving the quality of expansion and persistently forging core competitiveness. We focused on intensive market development and achieved quality growth in scale. Firstly, we deepened development in regional market, and enhanced market intensity in core areas by leveraging the advantages of multi-business synergy and expansion and strengthening

the expansion efforts in core cities. Among the new projects entered into with third parties during the year, the projects in the first-and second-tier cities accounted for 67.3% of the single-year contract value of all the new projects, representing an increase of approximately 10.6 percentage points year-on-year, and the business layout will be accelerated to concentrate in core cities. Secondly, we further developed the business model and leveraged on our experience in multi-business services to precisely grasp the exclusive demands of customers in sub-sector businesses and to build up differentiated service capabilities. Among the new projects entered into with third parties during the year, the non-residential business projects accounted for 88.3% of the single-year contract value of all the new projects, of which the three major quality business types, namely the urban scenic areas, the higher education and teaching and research properties, and the railways and transportation properties, accounted for 61.3% of the contract value of all the new non-residential business projects. Thirdly, we engaged in intensive development of high-quality resources, fully exploited the advantages of our highly praised brand reputation and quality service, increased efforts in quality customers exploration, and enhanced the concentration of core resources. Among the new projects entered into with third parties during the year, there were 35 projects with the single-year contract value amounted to over ten millions, accounted for approximately 50.0% of the single-year contract value of all the new projects. The continuous strengthening of our intensive development strategy will effectively enhance our market competitiveness and generate constant driving force for quality development.

2. *Focused on customer needs and facilitated core products development*

With the continuous expansion of service boundaries, the characteristics of customer diversification and differentiation of demands have become increasingly prominent. The Company had therefore raised the bar for the development of our product and service offerings. In order to precisely grasp the characteristics of customer needs, we have increased the development and iterative upgrade of core products, promoted the standardised construction and modular disassembly of services, realised the leap from “cast-in-place” services to “prefabricated” services, and provided customers with service solutions with combination of tailor-made and quality assurance, further highlighting the advantages of featured services. In the residential sector, we launched the mid-to high-end residential service brand “Elegant Life” to effectively meet the service needs of property owners for improvement projects and achieved the precise positioning of three major residential products, namely “Oriental Courtesy”, “Elegant Life” and “Harmony Courtyard”. In the non-residential sector, based on customer needs, we accelerated the iteration of products under sub-sector of business types, such as the higher education and teaching and research properties, the railways and transportation properties, and the medical properties, promoted the construction of vertical industrial capabilities of municipal sanitation, and deepened the layout of industrial capabilities. In the field of community value-added services, we continued to promote the implementation of core product communities, built up vertical industrial capabilities such as move-in and furnishing services and community retail, started to incubate the property industry, and established a full-chain service product system centred on housing assets to improve the convenience and well-being of residence.

3. *Deeply coordinated grassroots governance and grasped the development opportunities of urban services*

From pandemic prevention and control to emergency rescue, property companies have been accelerating their integration into the field of social grassroots governance, demonstrating the characteristics of the property industry as a livelihood-oriented service industry and the important functions in improving the living environment of communities and ensuring the operation of cities. As the first enterprise to put forward the “Comprehensive Property” strategy, Poly Property currently has certain leading advantages in terms of service scale, multi-format service experience and differentiated industry capabilities. We will increase the regional scale density and service density through the collaborative expansion of multiple business types and the superposition of multi-category services, so as to effectively promote resource integration, cost intensification and efficiency integration. At the same time, we continued to promote the upgrading of the comprehensive service model. During the year, we achieved a breakthrough and upgrading from the comprehensive service model for Jiashan to the comprehensive service model for Haizhu. The comprehensive service scope was expanded from urban area to core cities, and the service boundary was further extended. In the future, we will continue to promote the construction of an all-round service ecosystem, and help urban development and social governance improvement with more professional and efficient services.

4. *Continued management innovation and built a five-in-one refined operation system*

In the rapid development of cross-region and cross-industry, the refined operation and management capabilities of enterprises are the core competitiveness to support sustainable development. During the year, we built a five-in-one refined operation system to achieve systematic improvement of operation and management capabilities. Firstly, we implemented full-cycle cost control of projects, achieved accurate control by category and level by using the empirical cost database, extracted the best project cost model. Secondly, we implemented lean management of projects, established a diamond project model with scientific path, refined process and excellent indicators, and promoted the intensive operation mode of the project area to further improve per capita efficiency. Thirdly, we strictly standardised the construction, refined the granularity of the standard system, increased the online service process and tool empowerment, accumulated and promoted the experience on benchmark projects to ensure the stability of service quality. Fourth, we facilitated the in-depth development of smart construction, upgraded the application of smart community tools, and realised project interconnection and penetrative management. Fifthly, we promoted the reform and innovation of the incentive mechanism, established restricted stock incentive tools, improved the medium and long-term incentive system of the core team, and boosted the team’s competitiveness.

FUTURE OUTLOOK

As the impact of the pandemic fade away, economic development has returned to focus, the achievement of the government's policies on stabilising economy is becoming more prominent. Being a pillar industry of the national economy, given the combined effect of pick-up in housing demand and stimulation from the government policies, the upstream real estate sector has shown a stable trend and further opened up space for the long-term stable and positive development of the property industry.

Accelerating the transformation to a high-quality development model. Under the direction of high-quality development of the national economy, the property industry, as a basic service-oriented industry, will also face the accelerated transformation of high-quality development, gradually fade out the extensive expansion of scale, focus more on the construction of core product capacity and service capacity, and continuously improve the comfort and well-being of residents' community life. We will refine the mode of scale growth, highlighting the strength of high market density and differentiated service in sub-sectors. We will upgrade the operation and management techniques to achieve breakthroughs in efficiency improvement and quality improvement through the optimisation of management structure, the improvement of technology empowerment and the improvement of service process. We will strengthen organisational and team building, upgrade organisational capabilities, ride on the cross-regional and multi-business industrial layout, keep up the high enthusiasm and diligent spirit of employees, and convey the value of service and the original intention of service to each customer.

The non-residential market will become an important engine for industry growth. Under the government's policy of promoting "delegation of power, regulation and service" and refining grassroots governance, the demand for non-residential services such as commercial offices, public buildings and urban services will be released at an accelerated pace. The scale of market-oriented non-residential business will continue to enlarge, and there is still a huge room for concentration enhancement. From the perspective of building an integrated logistics service provider, property companies with outstanding customer service awareness and professional service capabilities, greater mouldability and extensibility, will promote the effective improvement of non-residential service capabilities and efficiency, and have good social benefits and economic prospects. At the same time, being the smallest unit in grassroots social governance, property will exert greater effect in establishing a grassroots social management system with the features of co-construction, co-governance and co-utilisation, and facilitated the functional positioning of "soft infrastructure".

Community value-added services evolve towards a more sophisticated model. After years of exploration and practice, property companies have established comparative advantages in areas such as precise understanding of customer needs, coordination of space and personnel, and construction of community service capabilities. The development of community value-added services is shifting from exploring the potential of multiple channels to the model of intensive industry development, focusing on the core segments such as home delivery services, move-in and furnishing services and asset services, and creating vertical industrial capabilities. By strengthening customer service experience, improving the traditional business model and optimising the product profitability model, we will promote community value-added services to refresh its industrial competitiveness. In the future, the upgrading of industrial capabilities, the improvement of customer awareness and satisfaction, and the improvement of community marketing channels will become the main direction for community value-added services to practice high-quality development.

Accelerating innovation in industry management. In the process of transforming the property industry into a modern service industry, the rapid iteration of business types has stimulated the in-depth reform of the organisational structure management and control system, and continuously adapted to the characteristics and new opportunities of industrial development. At the same time, the scientific and technological progress in artificial intelligence, Internet of Things, service-oriented robots and other fields will profoundly affect the upgrade of service process design and service efficiency of the industry, and drive the accelerated evolution of industry management and operation methods towards digitalisation and intelligence. The industrial management reform will also accelerate the introduction and integration of various high-quality talents, and promote the further improvement of labour and production efficiency.

In the future, Poly Property will continue to adhere to the long-term development positioning, deepen the high-quality development path, fully implement the mission and responsibility of a state-owned property company, align the same frequency and resonance with national strategies, and make constant efforts in “capturing market share, maintaining high quality, enhancing operation efficiency” and forge ahead to and proactively realise the corporate vision of being “the prime provider of the Comprehensive Property ecosystem”.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading comprehensive property management service provider in China with extensive property management scale and state-owned background. According to the ranking of 2022 Top 100 Property Management Companies in China by the China Index Academy, the Group ranked third among the Top 100 Property Management Companies in China and first in terms of management scale among the property management companies with state-owned background. The Group adheres to our corporate mission of “to serve the people by managing and achieving” (善治善成，服務民生), and is committed to providing customers with quality services that meet the needs of a better life. With high-quality services and brand strength, the Group has won a good reputation in the industry. Our brand was valued at approximately RMB20.1 billion in 2022. The Group has actively pushed forward the “Comprehensive Property” strategic layout, and its management business portfolio covers residential communities, commercial and office buildings and public and other properties. As at 31 December 2022, the Group’s contracted GFA was approximately 771.6 million sq.m. with a total of 2,721 contracted projects, covering 210 cities across 29 provinces, municipalities and autonomous regions in China. The GFA under management was approximately 576.1 million sq.m. with a total of 2,089 projects under management.

The Group’s revenue is derived from three main business lines, namely (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

Property management services – representing approximately 61.6% of the total revenue

For the year ended 31 December 2022, the Group’s revenue from property management services amounted to approximately RMB8,428.4 million, representing an increase of approximately 26.4% as compared to the corresponding period of 2021, which is mainly due to the expansion of GFA under management and the increase in the number of projects under management of the Group.

The following table sets out the changes in the Group’s contracted management scale:

Source of projects	As at 31 December					
	2022			2021		
	Contracted GFA '000 sq.m.	Percentage of contracted GFA %	Number of contracted projects	Contracted GFA '000 sq.m.	Percentage of contracted GFA %	Number of contracted projects
Poly Developments and Holdings Group (<i>Note 1</i>)	313,287	40.6	1,401	278,993	42.5	1,227
Third parties (<i>Note 2</i>)	458,351	59.4	1,320	377,266	57.5	1,201
Total	771,638	100.0	2,721	656,259	100.0	2,428

Note 1: The related information of “Poly Developments and Holdings Group” set out in the section headed “Management Discussion and Analysis” in this announcement includes properties developed, solely or jointly with other parties, by Poly Developments and Holdings and its subsidiaries, joint ventures and associates.

Note 2: The GFA from “third parties” as set out in the section headed “Management Discussion and Analysis” in this announcement excludes projects that do not clearly stipulate the agreed GFA in the contracts. With the Group enhancing its market expansion, certain third-party project contracts only stipulate the total contract price rather than the GFA.

The Group continued to benefit from the steady development of Poly Developments and Holdings Group, its controlling shareholder, and has achieved high-quality and stable business growth. In 2022, Poly Developments and Holdings Group ranked second in the industry in terms of contracted sales amount, and was awarded the title of “Leading Brand in China’s Real Estate Industry” (中國房地產行業領導公司品牌) for 13 consecutive years. As at 31 December 2022, the contracted GFA from Poly Developments and Holdings Group reached approximately 313.3 million sq.m., representing an increase of approximately 34.3 million sq.m. as compared to the contracted GFA as at 31 December 2021.

The Group firmly adhered to the principle of high-quality expansion, exerted every effort to the intensive cultivation in core cities and core business portfolio and of high-quality resources. We also kept putting more effort on market expansion and promoted the continuous optimisation of business structure. We always took customer’s needs as the core and kept improving customer satisfaction and service efficiency to continuously and comprehensively enhance our overall market competitiveness, in order to achieve high-quality large scale development. During the year, the Group’s single-year contract value of newly awarded projects from third parties amounted to approximately RMB2.77 billion and the single-year contract value of projects newly signed by third parties amounted to approximately RMB1.72 billion (excluding renewed projects). As at 31 December 2022, the contracted GFA of projects from third parties reached approximately 458.4 million sq.m., representing an increase of approximately 81.1 million sq.m. as compared to that as at 31 December 2021, and accounted for approximately 59.4% of the total contracted GFA, representing a year-on-year increase of 1.9 percentage points.

The following table sets out a breakdown of the Group's revenue, GFA under management and the number of projects under management by the source of projects for the periods or as at the dates indicated:

Source of projects	Year ended 31 December or as at 31 December									
	2022					2021				
	Revenue		GFA under management		Number of projects under management	Revenue		GFA under management		Number of projects under management
	RMB'000	%	'000 sq.m.	%		RMB'000	%	'000 sq.m.	%	
Poly Developments and Holdings Group <i>(Note)</i>	5,162,560	61.3	222,999	38.7	1,061	4,376,229	65.6	185,966	40.0	904
Third parties <i>(Note)</i>	3,265,828	38.7	353,081	61.3	1,028	2,294,168	34.4	279,347	60.0	882
Total	8,428,388	100.0	576,080	100.0	2,089	6,670,397	100.0	465,313	100.0	1,786

Note: See note 1 and note 2 on page 24.

There has been an increasing contribution from the market-oriented projects to revenue. For the year ended 31 December 2022, revenue from property management services to third parties amounted to approximately RMB3,265.8 million, representing a significant increase of approximately 42.4% as compared to the corresponding period of 2021 and accounting for approximately 38.7% of the total revenue from property management services, representing a year-on-year increase of approximately 4.3 percentage points.

While maintaining a healthy growth in the scale of residential management, the Group strived to deepen the development of non-residential business and to firmly implement our Comprehensive Property strategy. Leveraging on its leading product capability, service experience and brand influence, the Group accelerated its market expansion in the commercial and office buildings, public and other properties sectors. Among the new projects entered into with third parties during the year, the single-year contract value of non-residential business projects accounted for 88.3% of the single-year contract value of all the new projects. As at 31 December 2022, the GFA under management of non-residential businesses increased to approximately 323.1 million sq.m., accounting for approximately 56.1% of the total GFA under management. During the year, we recorded revenue of property management from non-residential business of approximately RMB3,341.8 million, representing an increase of approximately 37.2% as compared to the corresponding period of 2021. The proportion of such revenue to the overall revenue of property management services increased by approximately 3.2 percentage points year-on-year to approximately 39.7%.

The following table sets out a breakdown of the Group’s revenue, GFA under management and the number of projects under management by property type for the periods or as at the dates indicated:

Source of projects	Year ended 31 December or as at 31 December									
	2022					2021				
	Revenue		GFA under management		Number of projects under management	Revenue		GFA under management		Number of projects under management
	RMB'000	%	'000 sq.m.	%		RMB'000	%	'000 sq.m.	%	
Residential communities	5,086,555	60.3	252,957	43.9	1,198	4,235,111	63.5	209,362	45.0	1,020
Non-residential properties	3,341,833	39.7	323,123	56.1	891	2,435,286	36.5	255,951	55.0	766
- Commercial and office buildings	1,280,321	15.2	20,460	3.6	293	973,369	14.6	15,878	3.4	225
- Public and other properties	2,061,512	24.5	302,663	52.5	598	1,461,917	21.9	240,073	51.6	541
Total	8,428,388	100.0	576,080	100.0	2,089	6,670,397	100.0	465,313	100.0	1,786

For residential communities, the Group has established three major property service brands, namely “Oriental Courtesy”, “Elegant Life” and “Harmony Courtyard”, to effectively meet the residential needs of different customer groups and offer premium living experience by improving our product and service offerings in three major themes, namely health, safety and intelligence. As at 31 December 2022, the GFA under management of the Group in the residential communities was approximately 253.0 million sq.m.. For the year ended 31 December 2022, revenue from property management services for residential communities amounted to approximately RMB5,086.6 million, representing an increase of approximately 20.1% as compared to the corresponding period of 2021.

For commercial and office buildings, the Group has established the property service brand of “Nebula Ecology” to provide a trinity service system including property management, asset management and corporate services around the service concept of “scenario operation”, all for the aim of developing a leading brand for commercial and office services with state-owned background. The Group focused on first-tier and second-tier core cities and put more resources to expand key customer base within sub-sectors, such as banking and communication system, in order to build up advantages with exclusive offerings. During the year, the single-year contract value of commercial and office buildings projects newly signed by the Group amounted to approximately RMB418.6 million, those new iconic projects include the Suzhou Branch of China Development Bank, Global Mobile Building in Jiangmen, Zhongshe Building in Beijing, International Modern MOMA Office in Gaoying, Shijiazhuang, Wangfujing Mall in Changsha. As at 31 December 2022, the GFA under management of the Group in the commercial and office buildings was approximately 20.5 million sq.m.. For the year ended 31 December 2022, revenue from property management services for commercial and office buildings amounted to approximately RMB1,280.3 million, representing an increase of approximately 31.5% as compared to the corresponding period of 2021.

For public and other properties, the Group has established the property service brand of “Towns Revitalisation”. Based on the development of differentiated services and products according to the customers’ demands of business segmentation and targeting the demands from local governments in relation to comprehensive governance, environment improvement and people’s livelihood service, the Group has introduced the 5G product system with “gridded governance, integrated municipal services, reconstruction and operation of old communities, smart towns and business empowerment” at the core and facilitated the precise construction of social governance with refined services. For business types such as higher education and teaching and research properties, railways and transportation properties as well as hospital property, the Group has introduced the 3C product system of “general basic services for public services, professional services for sub-sector businesses and customised services for customers”, so as to meet the customised service demands of customers in a flexible manner while improving the professionalism of services in sub-sector businesses.

The Group continued to enhance its comprehensive service and product portfolio based on the town-wide holistic service model in Jiashan County, successfully implemented a new holistic service model in Haizhu District, Guangzhou, integrating various urban services, covering landmark projects such as the Guangzhou Tower Scenic Area and the Guangzhou Haizhu Wetland Scenic Area, a national wetland, and has created a new business segment for holistic service in first-tier cities, realised expansion in our holistic service from town to urban. During the year, the Group finalised strategies in environmental sanitation industry, created powerful support to holistic service and product offerings, and successfully expanded various environmental sanitation projects, such as the Minzhi South City Manager for Minzhi Sub-district Office, Longhua District, Shenzhen, the urban-rural integrated market-oriented project of environmental sanitation service for Jiangdu District, Yangzhou City, the environmental sanitation project of Chongqing Bonded Port Area, and the environmental sanitation service project at Wafangdian, Dalian City, which allowed us to further contribute to the urban development and social governance innovation.

After many years of endeavours, the Group has formed nationwide layout and leading advantages in a number of business types, such as higher education and teaching and research properties, urban scenic areas, railways and transportation properties, hospitals, government offices and urban public facilities. For the year ended 31 December 2022, the single-year contract value of public and other property projects newly signed by the Group was approximately RMB1.1 billion, new key projects include Phase 4 of Canton Fair exhibition and convention centre, Terminal S1 of Shanghai International Airport, and phase I section of Xi’an Metro Line No. 1-6, No. 14 and No. 16. For the year ended 31 December 2022, the Group’s revenue from public and other property amounted to approximately RMB2,061.5 million, representing an increase of approximately 41.0% as compared to the corresponding period of 2021 and accounted for approximately 24.5% of the total revenue from property management services, representing an increase of approximately 2.6 percentage points as compared with the corresponding period of 2021.

Steady increase in the average property management fee per unit

Benefiting from higher pricing standards for new projects and price increase for certain projects under management, the average property management fee per unit of the Group remained stable and was on an increasing trend.

The following table sets out the average property management fee per unit of residential communities for the periods indicated:

	Year ended 31 December		Changes (RMB)
	2022 (RMB/sq. m./month)	2021	
Residential communities	2.28	2.24	Increased by 0.04
– Poly Developments and Holdings Group	2.38	2.32	Increased by 0.06
– Third parties	1.80	1.78	Increased by 0.02

Value-added services to non-property owners – representing approximately 16.0% of the total revenue

The Group provides value-added services to non-property owners (mainly property developers), including (i) pre-delivery services to property developers to assist with their sales and marketing activities at property sales venues and display units, mainly including visitor reception, cleaning, security inspection and maintenance; (ii) office leasing; and (iii) other value-added services to non-property owners, such as consultancy, inspection and delivery.

The following table sets out a breakdown of the Group's revenue from value-added services to non-property owners by service type for the periods indicated:

Service Type	Year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>Percentage of revenue %</i>	<i>RMB'000</i>	<i>Percentage of revenue %</i>
Pre-delivery services	1,251,045	57.0	1,123,052	62.0
Office leasing	407,542	18.6	304,844	16.8
Other value-added services to non-property owners	536,054	24.4	383,335	21.2
Total	2,194,641	100.0	1,811,231	100.0

The Group's revenue from value-added services to non-property owners for the year ended 31 December 2022 was approximately RMB2,194.6 million, representing an increase of approximately 21.2% as compared to the corresponding period of 2021, which was mainly due to (i) the increase in the number of projects that we provide pre-delivery services; (ii) the increase in the rent income of office buildings; and (iii) the business growth of other value-added services to non-property owners of the Group.

Community value-added services – representing approximately 22.4% of the total revenue

The Group's revenue from community value-added services for the year ended 31 December 2022 was approximately RMB3,063.6 million, representing an increase of approximately 33.1% as compared to the corresponding period of 2021. This was mainly attributable to (i) the expansion of the Group's management scale and the increase in service users, coupled with the customer loyalty brought by our quality basic services, which has provided a sound business foundation for the development of community value-added services; and (ii) the continuous improvement of the capability of our vertically integrated business model which comprised community retail, move-in and furnishing services, space operation, housekeeping services and parking space services.

During the year, the Group focused on building up industrial capabilities, kept close to the community scene and to meet the needs of property owners, accelerated the upgrade of core products in areas such as community retail, move-in and furnishing, achieved professionalism and verticalisation, strived to establish its positioning in housekeeping services in daily life and product selection for property owners. At the same time, we actively incubated industries such as house agent services and parking space services, centred on owners community assets, integrated asset transactions, asset custody, asset services, etc., to establish the integrated asset service capabilities, and to take full advantage of property scenario and our synergy effect in the industry.

Move-in and furnishing services: realising approximately RMB557.9 million in revenue, accounting for approximately 18.2% of the total revenue from community value-added services

Move-in and furnishing services focus on user needs to extend the entire life cycle of the business. Focusing on business scenarios like turnkey furnishing and move-in, furniture group purchase, and old house renewal, we create digitalised service tools to provide the property owners with comprehensive housing solutions from design, installation, delivery to repair and maintenance.

Community retail: realising approximately RMB907.5 million in revenue, accounting for approximately 29.6% of the total revenue from community value-added services

Community retail offers value-for-money products to property owners for their selection through different ways such as direct supply, centralised procurement and prepositioned warehouses. By leveraging mutual access of online and offline resources coupled with front-end door-to-door delivery service by first-line butlers, we provide property owners with a cost-effective shopping experience.

Parking lot services: realising approximately RMB325.2 million in revenue, accounting for approximately 10.6% of the total revenue from community value-added services

Parking lot services aim at utilising smart parking system and smart equipment actively to provide operation solutions targeting order management and control, operation and development and toll management with reference to a thorough combination of distinctive factors in relation to the carparks, including facilities, geographical location, distribution of carpark space units and customer demands.

Space operation: realising approximately RMB327.9 million in revenue, accounting for approximately 10.7% of the total revenue from community value-added services

Space operation services strive to provide services such as venue rental, courier service, charging service, sharing service and recycling service by optimising the usage of public resources, and to explore the communication value of community media channels such as elevators and carparks, to realise standardised and digitalised operation with information system, so as to increase the coverage of our community media spots and optimise the result of operation. At the same time we provide “quality and efficient” community-integrated marketing services to the brand merchant, in order to develop a multi-dimensional value chain of media operation.

Community convenience and other services: realising approximately RMB945.1 million in revenue, accounting for approximately 30.9% of the total revenue from community value-added services

We provided diversified convenience and living services according to the needs of property owners, including home cleaning, housekeeping and maintenance, home-based nursing, babysitting and postpartum doulas, theme-based education, realtor services, parking space sales agency services, as well as property-specific services such as garbage disposals and removals.

FUTURE DEVELOPMENT

Adhering to the corporate vision of being “the prime provider of the Comprehensive Property ecosystem”, we will step up our efforts in high-quality development and focus on “capturing market share, maintaining high quality, enhancing operation efficiency”, with an aim to accelerate the increase of our share in property management market, continuously facilitate the in-depth development of value-added industries. We will also improve our quality and effectiveness through lean management and digitalisation.

Adhere to market-oriented direction, continue our dedicated development strategy and expand our advantage in market expansion

We will continue to dedicatedly develop high-quality regions and core business types, consolidate the density of core cities and increase our advantage by sub-sector businesses differentiation, so as to bring our scale development to a higher level and continuously optimise our business structure. In terms of density improvement, we will implement the “Original Point Action” strategy, pursuant to which we will actively place more effort on customer resources development by leveraging on our market reputation and channels that we have built up. We will also enhance our ability to submit tender by putting more effort on team building, market research and judgement and creation of benchmark projects. Such strategy can facilitate the effective implementation of our market expansion strategy and transform it into solid results. In terms of the development of our core business types, our focus will be put on strengthening quality core business types with competitive advantages, enhancing the competitive advantages arising from sub-sector businesses differentiation. Besides, we will further replicate and promote the town-wide holistic service model in Jiashan County and the city-wide holistic service model in Haizhu District, and speed up the implementation of the Comprehensive Property strategy. At the same time, we will use the combination of joint venture cooperation, equity investment and other methods to strengthen the integration of high-quality resources, actively tap into new industries and new business to enhance the advantages of sub-sector businesses and build up professional service capabilities at a faster pace.

Focus on core industries and enhance community value-added service capabilities in every aspect

Building on the strength of our core product system and the support from our five major systems, i.e. organisation system, talent system, incentive system, information system and risk control system, we will focus on making our five core businesses, i.e. move-in and furnishing services, community retail, space operation, housekeeping services and community asset management, a one-stop living brand of Poly Property by leveraging on our serviced marketing operation system, so as to promote the comprehensive upgrading of community value-added service products. We will give full play to the advantages of proximity, trust and service stickiness under the property scenarios and promote the high-quality and sustainable development of the five core industries. At the same time, in order to explore new business model, we will select and develop emerging industries with concentrated demand.

Use better service and competitive product to enhance brand reputation

We believe quality means everything, as such, we will enhance the quality of our property services with the help of information tools and the support of our training systems, so as to promote development and improve efficiency with quality. We continuously improve the service standards and quality control system for all business types, and rely on the quality monitoring system to achieve stable quality services. We will strengthen our product offering capabilities, further enhance our brand influence. In respect of residential sector, we will build brand influence in the high-end residential market, and will enhance our reputation through undertaking more benchmark projects, rolling out full-range products, providing quality service and facilitating brand promotion in a systematic way. In respect of non-residential sector, we will continue to improve our product offering capabilities for commercial and office services for business with state-owned background and holistic service, with an aim to strengthen our distinctive competitive advantages. At the same time, we will also accelerate the iterative optimisation and promotion of smart service model for all business types, and will build smart communities, smart buildings, and smart city model rooms to further improve the competitiveness of our products and brand recognition.

Improve operation efficiency in all aspects, promote lean and digital-based developments in management and operation

We will carry out review on our organisation, talents, project management and cost management to improve quality and efficiency, and will further promote operational efficiency by increasing the use of digital intelligence. Regarding organisation and talents, we will put more effort on training and recruitment of professionals, and in order to enhance the enthusiasm and competitiveness of our team, performance appraisal will be conducted on core business lines, the incentive mechanism will also be optimised. In respect of project operation refinement, we will promote a full-ecosystem, full-cycle project management and control system, with an aim to realise accurate management of the smallest business unit, and to effectively improve the level of fine management. Regarding cost refinement, we will strengthen the comprehensive budget management and full-cycle cost control mechanism, place more effort on operation management with the help of data, and give full play to our advantages in scale for centralised procurement. In terms of the application of digital intelligence, firstly, we will continue to promote the full integration of business and informatization, improve the level of digital intelligence of customer services, so as to effectively improve customers' perception of property services; secondly, we will promote the full integration of management and informatization, realise online management of the entire project cycle, and empower management decisions with comprehensive digital operation.

FINANCIAL REVIEW

Revenue

The Group's revenue is derived from three main business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

The following table sets out a breakdown of the revenue by business line for the periods indicated:

	Year ended 31 December				
	2022		2021		Growth rate %
	<i>RMB'000</i>	Percentage of revenue %	<i>RMB'000</i>	Percentage of revenue %	
Property management services	8,428,388	61.6	6,670,397	61.9	26.4
Value-added services to non-property owners	2,194,641	16.0	1,811,231	16.8	21.2
Community value-added services	3,063,633	22.4	2,300,921	21.3	33.1
Total	13,686,662	100.0	10,782,549	100.0	26.9

For the year ended 31 December 2022, the total revenue of the Group amounted to approximately RMB13,686.7 million (2021: approximately RMB10,782.5 million), representing an increase of approximately 26.9% as compared to the corresponding period of 2021. It was mainly due to: (i) an increase in revenue driven by the continuous increase in the management scale of the Group; and (ii) continuous steady development of value-added services of the Group during the year.

Cost of services

During the year, the cost of services of the Group amounted to approximately RMB11,112.8 million (2021: approximately RMB8,767.9 million), representing an increase of approximately 26.7% as compared to the corresponding period of 2021. The increase in the cost of services was mainly due to (i) the corresponding increase in staff costs and subcontracting costs as a result of an increase of the GFA under management and number of projects under the management of the Group; and (ii) the growth in value-added services such as community retail, resulting in an increase in corresponding procurement costs.

Gross profit and gross profit margin

The following table sets out a breakdown of the Group's gross profit and gross profit margin by business line for the periods indicated:

	Year ended 31 December					
	2022 Gross profit RMB'000	2022 Percentage of gross profit %	Gross profit margin %	Gross profit RMB'000	2021 Percentage of gross profit %	Gross profit margin %
Property management services	1,194,558	46.4	14.17	954,267	47.4	14.31
Value-added services to non-property owners	400,553	15.6	18.25	337,976	16.8	18.66
Community value-added services	978,733	38.0	31.95	722,397	35.8	31.40
Total	<u>2,573,844</u>	<u>100.0</u>	<u>18.81</u>	<u>2,014,640</u>	<u>100.0</u>	<u>18.68</u>

For the year ended 31 December 2022, the Group's gross profit was approximately RMB2,573.8 million, representing an increase of approximately 27.8% as compared to approximately RMB2,014.6 million of the corresponding period of 2021. The Group's gross profit margin increased from approximately 18.68% for the corresponding period of 2021 to approximately 18.81%.

For the year ended 31 December 2022, the Group's gross profit margin for property management services was approximately 14.17% (2021: approximately 14.31%), representing a decrease of approximately 0.14 percentage points as compared to corresponding period of 2021.

The Group's gross profit margin for value-added services to non-property owners was approximately 18.25% (2021: approximately 18.66%), representing a decrease of 0.41 percentage points as compared to the corresponding period of 2021.

The Group's gross profit margin for community value-added services was approximately 31.95% (2021: approximately 31.40%), representing an increase of approximately 0.55 percentage points as compared to the corresponding period of 2021, which was primarily due to the continuous improvement of various value-added services businesses and our industrial capabilities.

Other income and other gains and losses, net

For the year ended 31 December 2022, other income and other gains and losses, net was approximately RMB164.0 million, representing an increase of approximately 6.6% as compared to approximately RMB153.9 million for the year ended 31 December 2021, primarily due to the net exchange gain recognised in respect of changes in foreign exchange rates.

Administrative expenses

For the year ended 31 December 2022, the total administrative expenses of the Group was approximately RMB1,207.0 million, representing an increase of approximately 20.0% as compared to approximately RMB1,006.0 million for the year ended 31 December 2021. Such increase was primarily due to an increase in the remuneration and benefits attributable to additional employees and related expenses as a result of the Group's fast business growth as compared to the corresponding period in 2021. The administrative expenses of the Group accounted for approximately 8.8% of the total revenue, representing a decrease of approximately 0.5 percentage points as compared to the approximately 9.3% for the year ended 31 December 2021.

Profit for the year

For the year ended 31 December 2022, the profit for the year of the Group was approximately RMB1,133.3 million, representing an increase of approximately 30.1% as compared to approximately RMB870.9 million of the corresponding period of 2021. The profit attributable to owners of the Company was approximately RMB1,112.9 million, representing an increase of approximately 31.6% as compared to approximately RMB845.7 million of the corresponding period of 2021. The net profit margin was approximately 8.3%, representing an increase of approximately 0.2 percentage points as compared to approximately 8.1% of 2021.

Current assets, reserves and capital structure

For the year ended 31 December 2022, the Group maintained a sound financial position. As at 31 December 2022, the current assets amounted to approximately RMB12,132.9 million, representing an increase of approximately 21.4% as compared to approximately RMB9,990.6 million as at 31 December 2021. As at 31 December 2022, the cash and cash equivalents of the Group amounted to approximately RMB8,956.3 million, representing an increase of approximately 16.5% as compared to approximately RMB7,690.6 million as at 31 December 2021. As at 31 December 2022, the gearing ratio of the Group was approximately 40.2%, representing an increase of approximately 2.0 percentage points as compared to approximately 38.2% as at 31 December 2021. Gearing ratio represents the ratio of total liabilities over total assets.

As at 31 December 2022, the Group's total equity was approximately RMB7,844.8 million, representing an increase of approximately RMB956.0 million or approximately 13.9% as compared to approximately RMB6,888.8 million as at 31 December 2021, which was primarily due to the contributions from the realised profits in the period.

Property, plant and equipment

The Group's property, plant and equipment primarily include self-use right-of-use assets, buildings, leasehold improvements, computer equipment, electronic equipment, transportation equipment, furniture and equipment. As at 31 December 2022, the Group's property, plant and equipment amounted to approximately RMB218.9 million, representing an increase of approximately RMB19.4 million as compared to approximately RMB199.5 million as at 31 December 2021, which was primarily due to the purchase of electronic equipment for office use and the purchase of transportation equipment for the purpose of the Group's business operations.

Leased assets and investment properties

The Group's leased assets and investment properties mainly comprise leased assets and carpark spaces and clubhouses. As at 31 December 2022, the Group's leased assets and investment properties amounted to approximately RMB512.5 million, representing a decrease of approximately RMB191.5 million as compared to approximately RMB704.0 million as at 31 December 2021, which was mainly attributable to (i) the commencement of office leasing business, which increased the leased assets and investment properties by approximately RMB92.8 million; and (ii) the decrease of approximately RMB286.3 million in depreciation of leased assets and investment properties.

Intangible assets

The Group's intangible assets primarily included property management contracts and goodwill obtained from a business combination. As at 31 December 2022, the Group's intangible assets amounted to approximately RMB114.8 million, representing a decrease of approximately RMB10.3 million as compared to approximately RMB125.1 million as at 31 December 2021, which was primarily due to the amortisation of property management contracts.

Trade and bills receivables

As at 31 December 2022, trade and bills receivables amounted to approximately RMB2,263.2 million, representing an increase of approximately RMB838.4 million as compared to approximately RMB1,424.8 million as at 31 December 2021, which was primarily due to (i) the increase in trade receivables as a result of the expansion of GFA under management and the increase in the number of projects of the Group; and (ii) the percentage of revenue from property management services for public service projects increased, and due to the impact of the credit period, the balance of trade receivables increased.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables primarily included: (i) deposits; (ii) payment made on behalf of property owners and residents; (iii) VAT receivables; (iv) interest receivables; and (v) prepayments.

As at 31 December 2022, prepayments, deposits and other receivables amounted to approximately RMB873.0 million, representing an increase of approximately 5.9% as compared to approximately RMB824.7 million as at 31 December 2021, which was mainly due to an increase in utilities payment made on behalf of property owners and residents resulting from an increase in GFA under management of the Group.

Trade payables

As at 31 December 2022, trade payables amounted to approximately RMB1,574.9 million, representing an increase of approximately 96.0% as compared to approximately RMB803.6 million as at 31 December 2021, which was primarily due to (i) an increase in outstanding rent balance due to the commencement of office leasing business; and (ii) the expansion of the Group's GFA under management and the continuous increase in the scale of subcontracting to independent third-party service providers.

Accruals and other payables

Accruals and other payables mainly include: (i) deposits; (ii) temporary receipts from property owners; (iii) other tax payables; and (iv) salary payables.

As at 31 December 2022, accruals and other payables amounted to approximately RMB1,988.9 million, representing an increase of approximately 11.7% as compared to approximately RMB1,780.8 million as at 31 December 2021. It was mainly due to (i) the increase in deposits payable to property owners in relation to decorations; and (ii) the payments received from the participants of the "First Phase Restricted Share Incentive Scheme of Poly Property Services Co., Ltd." (the "**Restricted Share Incentive Scheme**") amounted to approximately RMB94.8 million.

Borrowings

As at 31 December 2022, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

As at 31 December 2022, the Group had no pledge of assets.

SIGNIFICANT INVESTMENT, MAJOR ACQUISITION AND DISPOSAL AND FUTURE PLANS

The Group had no significant investment, and major acquisition and disposal for the year ended 31 December 2022. In addition, except for the sections headed "Future Development" in "Management Discussion and Analysis" in this announcement, the expansion plans disclosed in the announcement on the update status of the expected timetable on the use of proceeds dated 30 December 2022, the Group did not have any special plans on material investments, acquisitions and disposals.

PROCEEDS FROM THE LISTING

The H shares of the Company (the “H Shares”) were successfully listed on the Stock Exchange on 19 December 2019 with 133,333,400 new H Shares issued and, upon the exercise of the over-allotment option in full, 153,333,400 H Shares were issued in aggregate. Net proceeds from the listing amounted to approximately HK\$5,218.2 million after deducting the underwriting fees and relevant expenses. As of 31 December 2022, the Group has used approximately HK\$3,690.7 million of the proceeds. Such used proceeds were allocated and used in accordance with the use of proceeds as set out in the prospectus dated 9 December 2019, the announcement on the change of use of proceeds from the global offering dated 1 April 2021, the announcement on the further change of use of proceeds from the global offering dated 16 July 2021, and the announcement on the update status of the expected timetable on the use of proceeds dated 30 December 2022 (the “Announcement”) of the Company. The unutilised net proceeds are approximately HK\$1,527.5 million, which will be allocated and used in accordance with the purposes and proportions as set out in the Announcement. Details of the specific use are as follows:

Revised planned use of the net proceeds as stated in the Announcement	Revised percentage of net proceeds as stated in the Announcement %	Net proceeds for revised planned use as stated in the Announcement HK\$ millions	Net proceeds actually utilised as of 31 December 2022 HK\$ millions	Revised net proceeds unutilised as of 31 December 2022 HK\$ millions	Expected timetable for utilising the unutilised net proceeds
To pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of the Group’s property management and value-added services businesses, which include acquiring or investing in companies engaged in businesses related to property management or value-added services, or forming joint ventures with such companies, and investing in related industrial funds with collaborative business partners	18.5	965.4	142.0	823.4	On or before 31 December 2024
To further develop the Group’s value-added services, which include the development of value-added products and services related to daily scenarios (such as communities, commercial offices and urban management) and assets (such as leasing and sales of properties, parking spaces and shops), the upgrading of hardware and the development of smart community and commercial facilities operation services, and the development of value-added services related to commercial operations such as office buildings	62.5	3,261.4	3,159.6	101.8	On or before 31 December 2024
To upgrade the Group’s systems of digitisation and smart management, which include the purchase and upgrading of hardware for building smart terminals and Internet of Things platforms, the construction and development of internal information sharing platforms and databases, the recruitment and development of professional and technical staff and information management teams, and the commencement of R&D for innovative applications related to the Group’s business	9.0	469.6	53.3	416.4	On or before 31 December 2024
Working capital and general corporate purposes	10.0	521.8	335.9	185.9	On or before 31 December 2024
Total	100.0	5,218.2	3,690.7	1,527.5	

Note: For the avoidance of doubt, any discrepancy between the total and the sum of the respective amounts shown in the table is due to rounding.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group did not have any significant contingent liabilities.

FOREIGN EXCHANGE RISK

The Group conducts its business in Renminbi. Except for the bank deposits and payables denominated in foreign currencies, the Group was not subject to any significant risk relating to foreign exchange rate fluctuation. The management will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange rate risk.

SUBSEQUENT EVENTS

The Group did not have significant subsequent events after 31 December 2022 and until the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group had 43,433 employees (as at 31 December 2021: 44,415 employees). For the year ended 31 December 2022, the total staff costs was approximately RMB4,677.1 million. The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions to encourage value creation of employees. Also, the Group provides employees with employee benefits, including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund.

EMPLOYEE TRAINING AND DEVELOPMENT

The Group places a strong emphasis on recruitment and provides employees with continuous training programmes and career development opportunities. In line with the strategy and organisational upgrade of the Company, an annual recruitment campaign for key positions named “Tiger Seeking Action”, an internal recruitment campaign for “chief level” personnel, and talent recruitment for new business of industrial partners, are conducted to attract high-calibre management and professional talents. Actively respond to the employment stabilisation policy of the state, the Group empowers the employment campaign for graduates, and promote high-quality employment of college graduates. The Group continues to refine the talent cultivation system by targeting key talent teams, focuses on promoting the leadership development program named “Galaxy Commander” and the professional talent improvement program named “StarLight Professional Talents” for public service and commercial field, to establish the “teach, assist and guide” mechanism for management trainees named “Star Generation”, to upgrade the training system in order to provide training at full coverage for the Company’s management, professionals and new staff, and to strengthen the construction of talent echelon. This is also to shape the benchmark of the “Star” culture and promote the growth and career development of employees.

ANNUAL DIVIDEND

The Board proposed the distribution of an annual dividend of RMB0.503 per share (tax inclusive) for the year ended 31 December 2022 with a proposed dividend payout ratio of approximately 25.0%. The dividend distribution plan shall be subject to the approval of the shareholders of the Company at the annual general meeting to be held on 17 May 2023 (the “**2022 AGM**”) and is expected to be paid on or before 13 July 2023. The proposed annual dividend will be declared in Renminbi and settled in Hong Kong dollars (for H Shares) and Renminbi (for domestic shares), the exchange rate of which will be calculated based on the average exchange rate of Renminbi against Hong Kong dollars published by the People’s Bank of China five business days prior to the 2022 AGM.

NOTICE OF ANNUAL GENERAL MEETING

The 2022 AGM will be held on Wednesday, 17 May 2023. Notice of the 2022 AGM will be published on the designated website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.polywuye.com and will be dispatched to the Shareholders in due course and such manner as required under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the 2022 AGM (and any adjourned meeting thereof), the register of members of the Company will be closed from Friday, 12 May 2023 to Wednesday, 17 May 2023, both days inclusive, during which period no transfer of the Shares will be registered. In order for the H Shareholders to qualify for attending and voting at the 2022 AGM, all properly completed share transfer forms together with the relevant H Share certificates shall be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 11 May 2023. Shareholders whose names appear on the register of members of the Company on Wednesday, 17 May 2023 are entitled to attend and vote at the 2022 AGM.

REVIEW OF ACCOUNTS

The Company's audit committee (the "**Audit Committee**") was established with written terms of reference in accordance with Appendix 14 to the Listing Rules. The Audit Committee is delegated by the Board and is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assisting the Board to fulfil its responsibility for the audit of the Group.

The Audit Committee had reviewed the audited consolidated financial statements and annual results of the Group for the year ended 31 December 2022, and discussed with the management of the Group regarding the accounting principles and practices adopted by the Group, and the internal controls and financial reporting matters.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's announcement of annual results for the year ended 31 December 2022 have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2022. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants. Consequently, no assurance has been expressed by Baker Tilly Hong Kong Limited on the announcement of annual results.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted code provisions in the Corporate Governance Code in Appendix 14 to the Listing Rules (the "**Corporate Governance Code**") as its own code of corporate governance. The Company complied with all the applicable code provisions of the Corporate Governance Code for the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding dealing of securities transactions by the Directors of the Company and supervisors of the Company (“**Supervisors**”). The Company has made specific enquiries of all Directors and Supervisors and each of them has confirmed that they have complied with the required standard as set out in the Model Code for the year ended 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

For the year ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

RESTRICTED SHARE INCENTIVE SCHEME

As approved by the extraordinary general meeting of the Company dated 18 February 2022, the Company has adopted the Restricted Share Incentive Scheme, which shall be valid and effective for a term of ten years.

For the year ended 31 December 2022, the Company effectively granted a total of 4,282,400 restricted shares to Scheme Participants pursuant to the Restricted Share Incentive Scheme. The fair value of the shares granted on the Grant Date was determined as HK\$24.94 per share. Details of the changes in the number of restricted shares granted under the Restricted Share Incentive Scheme and the related fair value are set out in note 16 to the condensed consolidated financial statements of this announcement.

The summary and details of grant of the Restricted Share Incentive Scheme will be further disclosed in the Company’s 2022 annual report.

PUBLIC FLOAT

According to published information and Directors’ knowledge, for the year ended 31 December 2022 and as at the date of this announcement, the Company maintained sufficient public float in compliance with the Listing Rules.

PUBLICATION OF ANNOUNCEMENT OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the designated website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.polywuye.com. The annual report of the Company for the year ended 31 December 2022 containing all the information required under the Listing Rules will be despatched to the Shareholders and made available on the above websites in due course.

By Order of the Board
POLY PROPERTY SERVICES CO., LTD.
Wu Lanyu
Chairman of the Board and Executive Director

Guangzhou, the PRC, 29 March 2023

As at the date of this announcement, the executive Director of the Company is Ms. Wu Lanyu; the non-executive Directors of the Company are Mr. Liu Ping, Mr. Hu Zaixin and Mr. Huang Hai; and the independent non-executive Directors of the Company are Mr. Wang Xiaojun, Ms. Tan Yan and Mr. Zhang Liqing.