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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Poly Property Group Co., Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Poly Property Group Co., Limited**

**保利置業集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00119)**

**(1) MAJOR TRANSACTION — PROVISION OF LOANS  
TO MINORITY SHAREHOLDERS  
(2) CONNECTED AND MAJOR TRANSACTION —  
PROVISION OF LOAN TO A MINORITY SHAREHOLDER  
(3) NOTICE OF EGM**

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A notice convening the EGM of Poly Property Group Co., Limited (the “Company”) to be held at R1 & R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 31 January 2024 at 10:30 a.m. is set out in this circular. Whether or not you intend to attend and vote at the EGM in person, you are encouraged to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

16 January 2024

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Board”	board of Directors of the Company
“Company”	Poly Property Group Co., Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“EGM”	the EGM of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the Loan Agreement 7, Loan Agreement 8, Loan Agreement 9 and Loan Agreement 10
“Group”	the Company and its subsidiaries
“Huizhou Baozhi”	Huizhou Baozhi Real Estate Development Company Limited* (惠州市保置房地產開發有限公司), a limited liability company established in the PRC, principally engaged in business property development and is an indirect wholly-owned subsidiary of the Company
“Kunshan Xincheng”	Kunshan Xincheng Development and Construction Company Limited* (昆山市新城發展建設有限公司), a limited liability company established in the PRC
“Kunshan Yuecheng”	Kunshan Yuecheng Property Company Limited* (昆山市悅城置業有限公司), a limited liability company established in the PRC, and is an indirect 51% owned subsidiary of the Company
“Latest Practicable Date”	10 January 2024, being the latest practicable date prior to printing this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan 1”	the loan amount of approximately RMB276 million provided by SZ Baozhuo to SZ China Merchants pursuant to Loan Agreement 1
“Loan 2”	the loan amount of approximately RMB287 million provided by SZ Baozhuo to Huizhou Baozhi pursuant to Loan Agreement 2
“Loan 3”	the loan amount of approximately RMB106 million provided by SZ Baojie to SZ China Merchants pursuant to Loan Agreement 3

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## DEFINITIONS

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“Loan 4”	the loan amount of approximately RMB111 million provided by SZ Baojie to Huizhou Baozhi pursuant to Loan Agreement 4
“Loan 5”	the loan amount of approximately RMB937 million and approximately RMB900 million provided by SZ Baozhuo to Huizhou Baozhi and SZ China Merchants pursuant to Loan Agreement 5
“Loan 6”	the loan amount of approximately RMB104 million and approximately RMB100 million provided by SZ Baojie to Huizhou Baozhi and SZ China Merchants pursuant to Loan Agreement 6
“Loan 7”	the loan of RMB1,800 million conditionally provided by Kunshan Yuecheng to Poly Jiangsu (RMB918 million), Suzhou China Merchants (RMB792 million) and Kunshan Xincheng (RMB90 million) pursuant to Loan Agreement 7
“Loan 8”	the loan of RMB1,000 million conditionally provided by SZ Baozhuo to Huizhou Baozhi (RMB510 million), and SZ China Merchants (RMB490 million) pursuant to Loan Agreement 8
“Loan 9”	the loan of RMB1,000 million conditionally provided by SZ Baojie to Huizhou Baozhi (RMB510 million), and SZ China Merchants (RMB490 million) pursuant to Loan Agreement 9
“Loan 10”	the loan of RMB3,512.8 million conditionally provided by SH Shengzhaohui to SH Shengwang (approximately RMB1,791.5 million), and SZ Zhaokun (approximately RMB1,721.3 million) pursuant to Loan Agreement 10
“Loan Agreement 1”	the loan agreement dated 15 August 2022 entered into between SZ Baozhuo and SZ China Merchants in relation to Loan 1
“Loan Agreement 2”	the loan agreement dated 15 August 2022 entered into between SZ Baozhuo and Huizhou Baozhi in relation to Loan 2
“Loan Agreement 3”	the loan agreement dated 15 August 2022 entered into between SZ Baojie and SZ China Merchants in relation to Loan 3
“Loan Agreement 4”	the loan agreement dated 15 August 2022 entered into between SZ Baojie and Huizhou Baozhi in relation to Loan 4
“Loan Agreement 5”	the loan agreement dated 27 February 2023 entered into between SZ Baozhuo, Huizhou Baozhi and SZ China Merchants in relation to Loan 5

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## DEFINITIONS

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“Loan Agreement 6”	the loan agreement dated 27 February 2023 entered into between SZ Baojie, Huizhou Baozhi and SZ China Merchants in relation to Loan 6
“Loan Agreement 7”	the loan agreement dated 22 December 2023 entered into amongst Poly Jianguo, Suzhou China Merchants, Kunshan Xincheng and Kunshan Yuecheng in relation to Loan 7
“Loan Agreement 8”	the loan agreement dated 22 December 2023 entered into amongst SZ Baozhuo, Huizhou Baozhi and SZ China Merchants in relation to Loan 8
“Loan Agreement 9”	the loan agreement dated 22 December 2023 entered into amongst SZ Baojie, Huizhou Baozhi and SZ China Merchants in relation to Loan 9
“Loan Agreement 10”	the loan agreement dated 22 December 2023 entered into amongst SH Shengzhaohui, SH Shengwang, and SZ Zhaokun in relation to Loan 10
“New Loan Agreements”	Loan Agreement 7, Loan Agreement 8, Loan Agreement 9 and Loan Agreement 10
“Poly Jianguo”	Poly Jianguo Property Company Limited* (保利江蘇置業有限公司), a limited liability company established in the PRC, and is an indirect wholly-owned subsidiary of the Company
“PRC” or “China”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SH Shengwang”	Shanghai Shengwang Property Company Limited* (上海盛萬置業有限公司), a limited liability company established in the PRC, and is an indirect wholly-owned subsidiary of the Company
“SH Shengzhaohui”	Shanghai Shengzhaohui Real Estate Development Company Limited* (上海盛兆薈房地產開發有限公司), a limited liability company established in the PRC, principally engaged in business property development and is an indirect 51% owned subsidiary of the Company
“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou China Merchants”	China Merchants Real Estate (Suzhou) Company Limited* (招商局地產(蘇州)有限公司), a limited liability company established in the PRC
“Suzhou China Merchants’ Loan 7”	RMB792 million of Loan 7 conditionally provided by Kunshan Yuecheng to Suzhou China Merchants pursuant to Loan Agreement 7
“SZ Baojie”	Shenzhen Baojie Real Estate Development Company Limited* (深圳市保捷房地產開發有限公司), a limited liability company established in the PRC, principally engaged in business property development and is an indirect 51% owned subsidiary of the Company
“SZ Baozhuo”	Shenzhen Baozhuo Real Estate Development Company Limited* (深圳市保卓房地產開發有限公司), a limited liability company established in the PRC, principally engaged in business property development and is an indirect 51% owned subsidiary of the Company
“SZ China Merchants”	Shenzhen Pingshan China Merchants Real Estate Company Limited* (深圳坪山招商房地產有限公司), a limited liability company established in the PRC, principally engaged in real estate development and operation, property management, housing rental, interior and exterior design services, business information consulting, and parking management services
“SZ China Merchants’ Loan 8”	RMB490 million of Loan 8 conditionally provided by SZ Baozhuo to SZ China Merchants pursuant to Loan Agreement 8
“SZ China Merchants’ Loan 9”	RMB490 million of Loan 9 conditionally provided by SZ Baojie to SZ China Merchants pursuant to Loan Agreement 9
“SZ Projects”	i) Longhua Longyu Project in Shenzhen Area* (深圳區域龍華龍譽項目), which directly 100% owned by SZ Baozhuo; and ii) Longgang Yongshan Project* (龍崗雍山郡項目), which directly 100% owned by SZ Baojie
“SZ Zhaokun”	Suzhou Zhaokun Property Development Company Limited* (蘇州兆坤房地產開發有限公司), a limited liability company established in the PRC
“SZ Zhaokun’s Loan 10”	approximately RMB1,721.3 million of Loan 10 conditionally provided by SH Shengzhaohui to SZ Zhaokun pursuant to Loan Agreement 10

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## DEFINITIONS

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“Tongfenglu Project”	Tongfenglu Project in Kunshan Area* (昆山同豐路項目), which directly 100% owned by Kunshan Yuecheng
“Zhuyinglu Project”	Zhuyinglu Project in Shanghai Area* (上海竹盈路項目), which directly 100% owned by SH Shengzhaohui
“%”	per cent

\* *For identification purposes only*



**Poly Property Group Co., Limited**

**保利置業集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00119)**

*Executive Directors:*

WAN Yuqing (*Chairman*)

YE Liwen

*Non-Executive Director:*

CHEN Yuwen

*Independent Non-executive Directors:*

IP Chun Chung, Robert

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

*Registered office:*

Room 2503

Admiralty Centre

Tower 1

18 Harcourt Road

Hong Kong

16 January 2024

*To the Shareholders*

Dear Sir or Madam,

**(1) MAJOR TRANSACTION — PROVISION OF LOANS  
TO MINORITY SHAREHOLDERS  
(2) CONNECTED AND MAJOR TRANSACTION —  
PROVISION OF LOAN TO A MINORITY SHAREHOLDER  
(3) NOTICE OF EGM**

**INTRODUCTION**

Reference is made to the announcements of the Company (i) dated 15 August 2022 and 27 February 2023, respectively, in relation to disclosable transactions regarding provision of loans to a minority shareholder, and (ii) dated 22 December 2023, in relation to the major transaction for the provision of loans to minority shareholders, and the connected and major transaction for the provision of loan to a minority shareholder.

The purpose of this circular is to provide you with notice of the EGM and to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the following resolutions to be proposed at the EGM.

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## LETTER FROM THE BOARD

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At the EGM, ordinary resolutions will be proposed to consider and approve each of the New Loan Agreements and the transactions contemplated thereunder.

### **Loan Agreement 7**

On 22 December 2023, Kunshan Yuecheng, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), Poly Jiangsu, an indirect wholly-owned subsidiary of the Company (as borrower), Suzhou China Merchants (as borrower) and Kunshan Xincheng (as borrower) entered into Loan Agreement 7, pursuant to which Kunshan Yuecheng conditionally agreed to grant loans of RMB918 million, RMB792 million and RMB90 million to Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng, respectively.

### **Loan Agreement 8**

On 22 December 2023, SZ Baozhuo, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), Huizhou Baozhi (as borrower) and SZ China Merchants (as borrower) entered into the Loan Agreement 8, pursuant to which SZ Baozhuo conditionally agreed to grant loans of RMB510 million and RMB490 million to Huizhou Baozhi and SZ China Merchants, respectively.

### **Loan Agreement 9**

On 22 December 2023, SZ Baojie, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), Huizhou Baozhi (as borrower) and SZ China Merchants (as borrower) entered into the Loan Agreement 9, pursuant to which SZ Baojie conditionally agreed to grant loans of RMB510 million and RMB490 million to Huizhou Baozhi and SZ China Merchants, respectively.

### **Loan Agreement 10**

On 22 December 2023, SH Shengzhaohui, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), SH Shengwang (as borrower) and SZ Zhaokun (as borrower) entered into the Loan Agreement 10, pursuant to which SH Shengzhaohui conditionally agreed to grant loans of approximately RMB1,791.5 million and approximately RMB1,721.3 million to SH Shengwang and SZ Zhaokun, respectively.

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## LETTER FROM THE BOARD

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### **Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9**

As the Group granted Loan 1 and Loan 3 to SZ China Merchants on 15 August 2022, and further granted certain portions of Loan 5 and Loan 6 to SZ China Merchants on 27 February 2023, and since SZ China Merchants and Suzhou China Merchants are subsidiaries of China Merchants Shekou Industrial Zone Holdings Co., Ltd.\* (招商局蛇口工業區控股股份有限公司) (a listed company on the Shenzhen Stock Exchange, with a stock code of SZ.001979), Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9 should be aggregated with Loan 1, Loan 3 and portions of Loan 5 and Loan 6 relating to SZ China Merchants and treated as if they were one transaction in calculating the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules).

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9 when aggregated with Loan 1, Loan 3, portion of Loan 5 and Loan 6 relating to SZ China Merchants exceed 25% but all of which are below 75%, and accordingly, the granting of Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9 constitute a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **SZ Zhaokun's Loan 10**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of SZ Zhaokun's Loan 10 exceed 25% but all of which are below 75%, and accordingly, the granting of SZ Zhaokun's Loan 10 constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the SZ Zhaokun is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of SH Shenzhaohui, the SZ Zhaokun's Loan 10 constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) SZ Zhaokun is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Loan Agreement 10 are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) have approved the transactions and confirmed that the transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Loan Agreement 10 are subject to reporting and announcement but are exempted from independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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### PROVISION OF LOANS TO MINORITY SHAREHOLDERS

#### The Loan Agreement 7

On 22 December 2023, Kunshan Yuecheng, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), Poly Jiangsu, an indirect wholly-owned subsidiary of the Company (as borrower), Suzhou China Merchants (as borrower) and Kunshan Xincheng (as borrower) entered into the Loan Agreement 7, pursuant to which Kunshan Yuecheng conditionally agreed to grant loans of RMB918 million, RMB792 million and RMB90 million to Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng, respectively.

Loan 7 to be provided by Kunshan Yuecheng to Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng is proportional to the equity interests of Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng in Kunshan Yuecheng.

#### Principal Terms of the Loan Agreement 7

Date	:	22 December 2023
Lender	:	Kunshan Yuecheng
Borrowers	:	Poly Jiangsu Suzhou China Merchants Kunshan Xincheng
Maximum principal of Poly Jiangsu	:	RMB918 million
Maximum principal of Suzhou China Merchants	:	RMB792 million
Maximum principal of Kunshan Xincheng	:	RMB90 million

Loan 7 is unsecured, interest-free, and has a maximum loan period of not more than 10 years, starting from each drawdown date when funds are provided by Kunshan Yuecheng to Poly Jiangsu, Suzhou China Merchants and/or Kunshan Xincheng. Kunshan Yuecheng has the right to request repayment of Loan 7 at any time during the loan period, and the borrowers shall repay Loan 7 within 15 working days from the date of receipt of the written notice from Kunshan Yuecheng.

The actual amount of Loan 7 would be (i) subject to the available funds and business conditions of Kunshan Yuecheng, and (ii) proportional to the equity interest of Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng in Kunshan Yuecheng.

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## LETTER FROM THE BOARD

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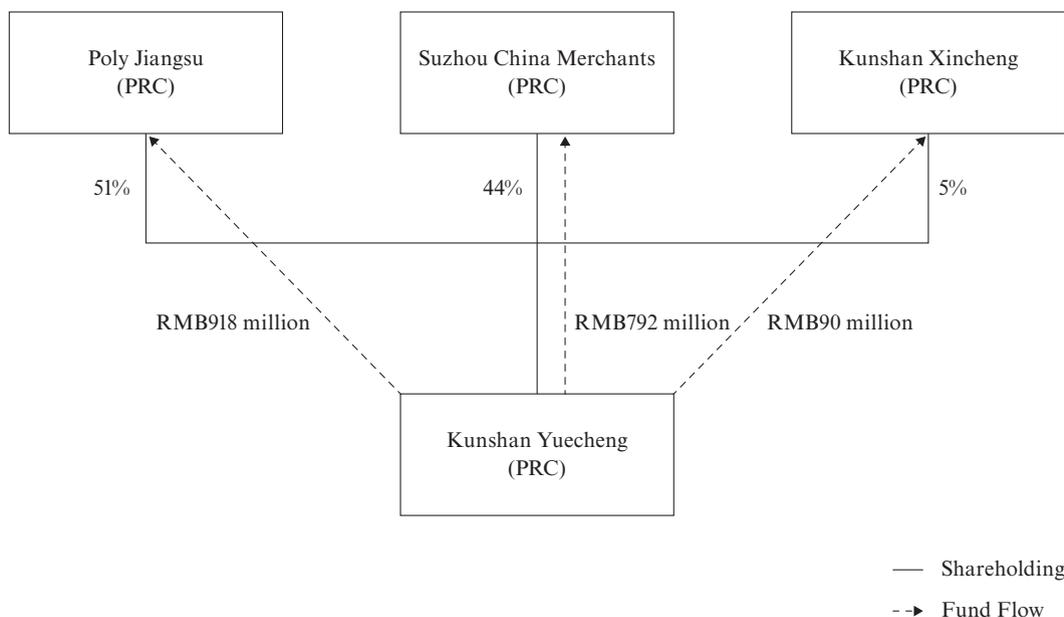
The term of the Loan Agreement 7 will be valid for 10 years upon approval by the Shareholders. In any event, all loans advanced under the Loan Agreement 7 must be repaid within the validity period.

Loan 7 is not a revolving loan facility. Unlike a revolving loan facility, which allows borrowers to repeatedly borrow and repay funds within a specified limit and period, Loan 7 does not permit borrowers to re-borrow any part of the repaid principal amount. Once the borrower repays any portion of the loan under the Loan Agreement 7, they are not permitted to access the repaid funds again.

The amount of Loan 7 was determined after arm's length negotiation among Kunshan Yuecheng, Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng.

Loan 7 will be funded by internal resources of Kunshan Yuecheng.

Please refer to the diagram below the fund flow and the shareholding of the relevant entities for Loan 7.



### The Loan Agreement 8

On 22 December 2023, SZ Baozhuo, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), Huizhou Baozhi (as borrower) and SZ China Merchants (as borrower) entered into the Loan Agreement 8, pursuant to which SZ Baozhuo conditionally agreed to grant loans of RMB510 million and RMB490 million to Huizhou Baozhi and SZ China Merchants, respectively.

Loan 8 to be provided by SZ Baozhuo to SZ China Merchants and Huizhou Baozhi is proportional to the equity interest of SZ China Merchants and Huizhou Baozhi in SZ Baozhuo.

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## LETTER FROM THE BOARD

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### Principal Terms of the Loan Agreement 8

Date	:	22 December 2023
Lender	:	SZ Baozhuo
Borrowers	:	Huizhou Baozhi SZ China Merchants
Maximum principal of Huizhou Baozhi	:	RMB510 million
Maximum principal of SZ China Merchants	:	RMB490 million

Loan 8 is unsecured, interest-free, and has a maximum loan period of not more than 10 years, starting from the date when the lender actually lends the fund. SZ Baozhuo has the right to request repayment of Loan 8 at any time during the loan period, and the borrowers shall repay loan within 15 working days from the date of receipt of the written notice from SZ Baozhuo.

The actual amount of Loan 8 would be (i) subject to the available funds and business conditions of SZ Baozhuo, and (ii) proportional to the equity interest of Huizhou Baozhi and SZ China Merchants in SZ Baozhuo.

The term of the Loan Agreement 8 will be valid for 10 years upon approval by the Shareholders. In any event, all loans advanced under the Loan Agreement 8 must be repaid within the validity period.

Loan 8 is not a revolving loan facility. Unlike a revolving loan facility, which allows borrowers to repeatedly borrow and repay funds within a specified limit and period, Loan 8 does not permit borrowers to re-borrow any part of the repaid principal amount. Once the borrower repays any portion of the loan under the Loan Agreement 8, they are not permitted to access the repaid funds again.

The amount of Loan 8 was determined after arm's length negotiation between SZ Baozhuo, SZ China Merchants and Huizhou Baozhi.

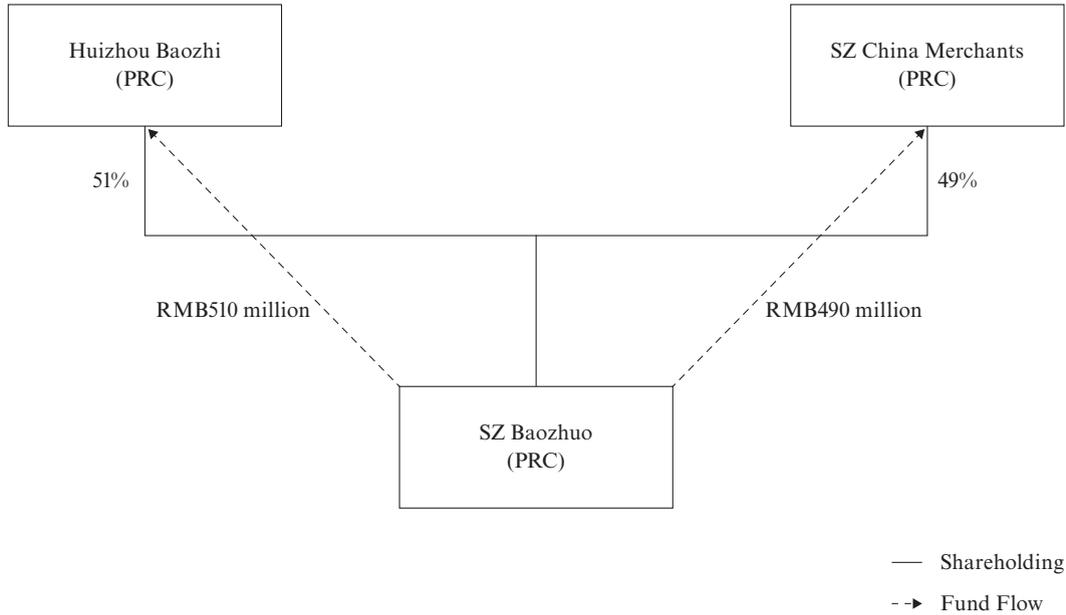
Loan 8 will be funded by the internal resources of SZ Baozhuo.

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## LETTER FROM THE BOARD

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Please refer to the diagram below the fund flow and the shareholding of the relevant entities for Loan 8.



### The Loan Agreement 9

On 22 December 2023, SZ Baojie, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), Huizhou Baozhi (as borrower) and SZ China Merchants (as borrower) entered into the Loan Agreement 9, pursuant to which SZ Baojie conditionally agreed to grant loans of RMB510 million and RMB490 million to Huizhou Baozhi and SZ China Merchants, respectively.

Loan 9 to be provided by SZ Baojie to SZ China Merchants and Huizhou Baozhi is proportional to the equity interest of SZ China Merchants and Huizhou Baozhi in SZ Baojie.

### Principal Terms of the Loan Agreement 9

Date	:	22 December 2023
Lender	:	SZ Baojie
Borrowers	:	Huizhou Baozhi SZ China Merchants
Maximum principal of Huizhou Baozhi	:	RMB510 million
Maximum principal of SZ China Merchants	:	RMB490 million

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## LETTER FROM THE BOARD

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Loan 9 is unsecured, interest-free, and have a maximum loan period of not more than 10 years, starting from the date when the lender actually lends the fund. SZ Baojie has the right to request repayment of Loan 9 at any time during the loan period, and the borrowers shall repay loan within 15 working days from the date of receipt of the written notice from SZ Baojie.

The actual amount of Loan 9 would be (i) subject to the available funds and business conditions of SZ Baojie, and (ii) proportional to the equity interest of Huizhou Baozhi and SZ China Marchants in SZ Baojie.

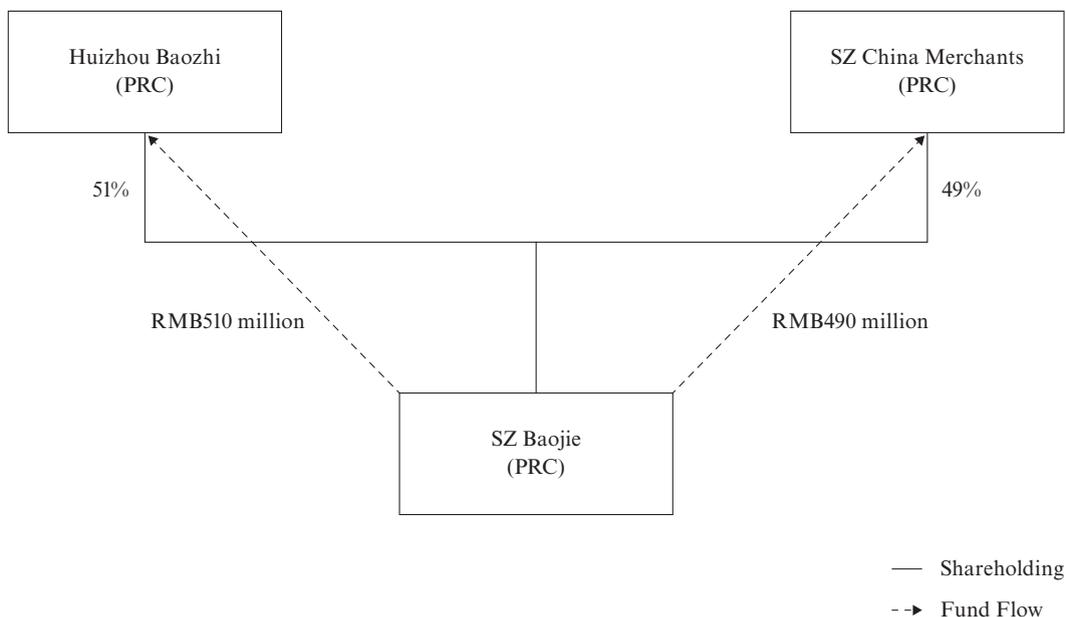
The term of the Loan Agreement 9 will be valid for 10 years upon approval by the Shareholders. In any event, all loans advanced under the Loan Agreement 9 must be repaid within the validity period.

Loan 9 is not a revolving loan facility. Unlike a revolving loan facility, which allows borrowers to repeatedly borrow and repay funds within a specified limit and period, Loan 9 does not permit borrowers to re-borrow any part of the repaid principal amount. Once the borrower repays any portion of the loan under the Loan Agreement 9, they are not permitted to access the repaid funds again.

The amount of Loan 9 was determined after arm's length negotiation between SZ Baojie, SZ China Merchants and Huizhou Baozhi.

Loan 9 will be funded by the internal resources of SZ Baojie.

Please refer to the diagram below the fund flow and the shareholding of the relevant entities for Loan 9.



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## LETTER FROM THE BOARD

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### **The Loan Agreement 10**

On 22 December 2023, SH Shengzhaohui, a 51% indirectly non-wholly owned subsidiary of the Company (as lender), SH Shengwang (as borrower) and SZ Zhaokun (as borrower) entered into the Loan Agreement 10, pursuant to which SH Shengzhaohui conditionally agreed to grant loans of approximately RMB1,791.5 million and approximately RMB1,721.3 million to SH Shengwang and SZ Zhaokun, respectively.

Loan 10 to be provided by SH Shengzhaohui to SH Shengwang and SZ Zhaokun is proportional to the equity interest of SH Shengwang and SZ Zhaokun in SH Shengzhaohui.

### **Principal Terms of the Loan Agreement 10**

Date	:	22 December 2023
Lender	:	SH Shengzhaohui
Borrowers	:	SH Shengwang SZ Zhaokun
Maximum principal of SH Shengwang	:	Approximately RMB1,791.5 million
Maximum principal of SZ Zhaokun	:	Approximately RMB1,721.3 million

Loan 10 is unsecured, interest-free, and has a maximum loan period of not more than 10 years, starting from each drawdown date when funds are provided by SH Shengzhaohui to SH Shengwang and SZ Zhaokun. SH Shengzhaohui has the right to request repayment of Loan 10 at any time during the loan period, and the borrowers shall repay loan within 10 working days from the date of receipt of the written notice from SH Shengzhaohui.

The actual amount of Loan 10 would be (i) subject to the available funds and business conditions of SH Shengzhaohui, and (ii) proportional to the equity interest of SH Shengwang and SZ Zhaokun in SH Shengzhaohui.

The term of the Loan Agreement 10 will be valid for 10 years upon approval by the Shareholders. In any event, all loans advanced under the Loan Agreement 10 must be repaid within the validity period.

Loan 10 is not a revolving loan facility. Unlike a revolving loan facility, which allows borrowers to repeatedly borrow and repay funds within a specified limit and period, Loan 10 does not permit borrowers to re-borrow any part of the repaid principal amount. Once the borrower repays any portion of the loan under the Loan Agreement 10, they are not permitted to access the repaid funds again.

The amount of Loan 10 was determined after arm's length negotiation among SH Shengzhaohui, SH Shengwang and SZ Zhaokun.

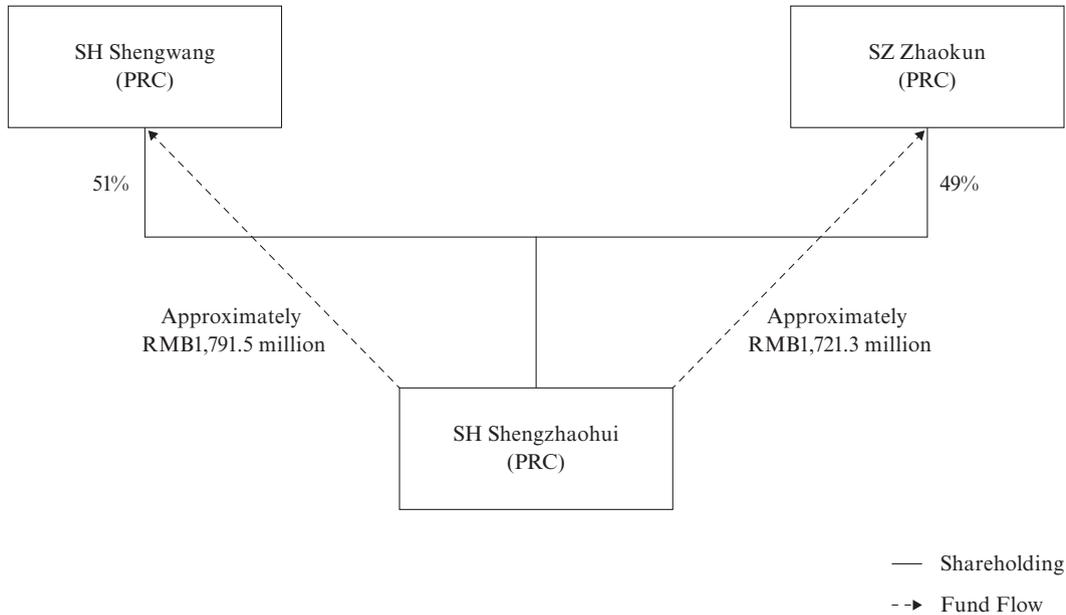
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## LETTER FROM THE BOARD

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Loan 10 will be funded by the internal resources of SH Shengzhaohui.

Please refer to the diagram below the fund flow and the shareholding of the relevant entities for Loan 10.



### REASONS FOR AND BENEFITS OF PROVISION OF LOANS TO MINORITY SHAREHOLDERS

#### Loan 7

Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng hold 51%, 44% and 5% in the capital of Kunshan Yuecheng, respectively. The principal businesses of Kunshan Yuecheng are real estate development and operation and construction engineering design in the PRC. Kunshan Yuecheng expects that the Tongfenglu Project would receive sales proceeds from pre-sales of the properties under construction, which would be sufficient to cover the Tongfenglu Project's construction costs, management fees, taxes and loan repayments in the next 12 months. Therefore, even after Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng draw down the Loan 7, it is expected that the sales proceeds would still be sufficient to cover the funding requirements for the Tongfenglu Project. The Tongfenglu Project is currently under construction and in pre-sales.

After careful consideration, Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng are of the view that it is in their best interest to utilize the surplus funds of Kunshan Yuecheng to support their production and operation, therefore, Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng entered into the Loan Agreement 7 with Kunshan Yuecheng. Poly Jiangsu, Suzhou China Merchants and Kunshan Xincheng agreed that they will repay their respective loans in proportion to their equity interests when Kunshan Yuecheng demands repayment.

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## LETTER FROM THE BOARD

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To ensure the recoverability of Loan 7 and that the borrowers are able to repay the loans within 15 working days upon the repayment request from the lender, the Company had obtained online credit reports for each Suzhou China Merchants and Kunshan Xincheng. Based on the online credit reports, there were no material red flags regarding the creditworthiness of each of the borrowers. Furthermore, the Company also obtained a credit report online for China Merchants Shekou Industrial Zone Holdings Co., Ltd.\* (招商局蛇口工業區控股股份有限公司), the indirect holding company of Suzhou China Merchants, and found that the credit risk for it is considered very low. For Kunshan Xincheng, it is a company indirectly wholly-owned by Kunshan Municipal Government State-owned Assets Supervision and Administration Office\* (昆山市政府國有資產監督管理辦公室). Considering Kunshan Xincheng's stated-owned enterprise background, the Company assessed that the credit risk of it is considered very low.

Additionally, the proposed maximum loans amount to Suzhou China Merchants (RMB792 million) and Kunshan Xincheng (RMB90 million) will not exceed the initial capital investment made by Suzhou China Merchants and Kunshan Xincheng in Kunshan Yuecheng. According to the Loan Agreement 7, if any of the borrowers fails to repay the loans, it shall pay liquidated damages to the lender and the non-defaulting party, respectively. If the defaulting shareholder fails to repay the loan, Kunshan Yuecheng has the right to withhold any amounts payable to the defaulting shareholder (including but not limited to shareholder's loan and dividends). Furthermore, if the relevant loan is overdue for more than 60 days, (i) the non-defaulting shareholder also has the right to dilute the equity interest of the defaulting shareholder in Kunshan Yuecheng, and (ii) additional liquidated damages would be payable to the non-defaulting shareholder.

Since the proposed loan amounts to the borrowers would not exceed the initial capital investment made by Suzhou China Merchants and Kunshan Xincheng in Kunshan Yuecheng, the right to dilute the equity interest of the defaulting shareholder in Kunshan Yuecheng should be more than sufficient to protect the interest of Poly Jiangsu and Kunshan Yuecheng without the need of taking legal actions. In any event, Kunshan Yuecheng may also take legal action to enforce the repayment obligations among the borrowers under the PRC laws.

### **Loan 8 and Loan 9**

Huizhou Baozhi has 51% interest in each of the capital of SZ Baozhuo and SZ Baojie, respectively. SZ China Merchants has 49% interest in each of the capital of SZ Baozhuo and SZ Baojie, respectively. The principal business of SZ Baozhuo and SZ Baojie is property development in the PRC. SZ Baozhuo and SZ Baojie expect that the SZ Projects would receive sales proceeds from pre-sales of the properties under construction, which would be sufficient for the construction costs, administrative expenses, taxes and loan repayments for the next 12 months for the SZ Projects. Therefore, even after each of Huizhou Baozhi and SZ China Merchants draw down the loans from SZ Baozhuo and SZ Baojie, it is expected that the sales proceeds would still be sufficient to cover the funding requirements for the SZ Projects. The SZ Projects are currently under construction and in pre-sales.

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## LETTER FROM THE BOARD

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After careful consideration, both SZ China Merchants and Huizhou Baozhi are of the view that it is in the best interest to both parties to utilize the surplus funds of SZ Baozhuo and SZ Baojie to support their production and operation, therefore, SZ China Merchants and Huizhou Baozhi entered into the Loan Agreement 8 and Loan Agreement 9 with SZ Baozhuo and SZ Baojie on the same terms and conditions regarding the provision of the loans in proportion to their equity interests. SZ China Merchants and Huizhou Baozhi agreed that they will repay the loans in proportion to their equity interests when SZ Baozhuo and SZ Baojie require funds to develop the SZ Projects.

To ensure the recoverability of Loan 8 and Loan 9 and that the borrower is able to repay the loans within 15 working days upon the repayment request from the lenders, the Company had obtained an online credit report for SZ China Merchants. Based on the online credit report, there were no material red flags regarding the creditworthiness of the borrower. Furthermore, the Company also obtained a credit report online for China Merchants Shekou Industrial Zone Holdings Co., Ltd.\* (招商局蛇口工業區控股股份有限公司), the indirect holding company of SZ China Merchants, and found that the credit risk for it is considered very low.

Additionally, the total loans amount to SZ China Merchants (including the Loan 1 Loan 3 and portions of Loan 5 and Loan 6 relating to SZ China Merchants) will not exceed the initial capital investment made by SZ China Merchants in SZ Baozhuo and SZ Baojie. According to the Loan Agreement 8 and Loan Agreement 9, if any of the borrowers fails to repay the loans, it shall pay liquidated damages to the lender and the non-defaulting party, respectively. If the defaulting shareholder fails to repay the loan, the lender has the right to withhold any amounts payable to the defaulting shareholder (including but not limited to shareholder's loan and dividends). Furthermore, if the relevant loan is overdue for more than 60 days, (i) the non-defaulting shareholder also has the right to dilute the equity interest of the defaulting shareholder in SZ Baozhuo or SZ Baojie, as the case maybe, and (ii) additional liquidated damages would be payable to both the non-defaulting shareholder and SZ Baozhuo or SZ Baojie, as the case maybe.

Since the total loan amounts to the borrower would not exceed the initial capital investment made by SZ China Merchants in SZ Baozhuo and SZ Baojie, the right to dilute the equity interest of the defaulting shareholder in SZ Baozhuo and SZ Baojie, as the case maybe, should be more than sufficient to protect the interest of Huizhou Baozhi and the lenders without the need of taking legal action. In any event, the lenders may also take legal action to enforce the repayment obligations against the borrower under the PRC laws.

### **Loan 10**

SH Shengwang and SZ Zhaokun hold 51%, 49% in the capital of SH Shengzhaohui, respectively. The principal businesses of SH Shengzhaohui are real estate development and operation and construction engineering design in the PRC. SH Shengzhaohui expects that the Zhuyinglu Project would receive sales proceeds from pre-sales of the properties under construction, which would be sufficient to cover the Zhuyinglu Project's construction costs, management fees, taxes and loan repayments in the next 12 months. Therefore, even after

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## LETTER FROM THE BOARD

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SH Shengwang and SZ Zhaokun draw down the Loan 10, it is expected that the sales proceeds would still be sufficient to cover the funding requirements for the Zhuyinglu Project. The Zhuyinglu Project is currently under construction and in pre-sales.

After careful consideration, SH Shengwang and SZ Zhaokun are of the view that it is in their best interest to utilize the surplus funds of SH Shengzhaohui to support their production and operation, therefore, SH Shengwang and SZ Zhaokun entered into the Loan Agreement 10 with SH Shengzhaohui. SH Shengwang and SZ Zhaokun agreed that they will repay their respective loans in proportion to their equity interests when SH Shengzhaohui demands repayment.

To ensure the recoverability of Loan 10 and that the borrower is able to repay the loan within 10 working days upon the repayment request from the lender, the Company had obtained an online credit report for SZ Zhaokun. Based on the online credit report, there were no material red flags regarding the creditworthiness of the borrower. Furthermore, the Company also reviewed the latest publicly available financial information of C&D International Investment Group Limited (建發國際投資集團有限公司), a company listed on the Stock Exchange (HK.01908) and the indirect holding company of SZ Zhaokun. The Company took the view that the credit risk for C&D International Investment Group Limited (建發國際投資集團有限公司) should be considered very low as well.

Additionally, the proposed maximum loan amount to SZ Zhaokun (RMB1,721.3 million) will not exceed the initial capital investment made by SZ Zhaokun in SH Shengzhaohui. According to the Loan Agreement 10, if any of the borrowers fail to repay the loans, it shall pay liquidated damages to the non-defaulting party. If the defaulting shareholder fails to repay the loan, SH Shengzhaohui has the right to withhold any amounts payable to the defaulting shareholder (including but not limited to shareholder's loan and dividends). Furthermore, if the relevant loan is overdue for more than 60 days, (i) the non-defaulting shareholder also has the right to dilute the equity interest of the defaulting shareholder in SH Shengzhaohui, and (ii) additional liquidated damages would be payable to the non-defaulting shareholder.

Since the proposed loan amount to the borrower would not exceed the initial capital investment made by SZ Zhaokun in SH Shengzhaohui, the right to dilute the equity interest of the defaulting shareholder in SH Shengzhaohui should be more than sufficient to protect the interest of SH Shengwang and SH Shengzhaohui without the need of taking legal action. In any event, SH Shengzhaohui may also take legal action to enforce the repayment obligations against the borrower under the PRC laws.

Subject to the funds available and the business conditions of the project companies, namely Kunshan Yuecheng, SZ Baozhuo, SZ Baojie, and SH Shengzhaohui, a total of approximately RMB3,729.5 million will be available as a loan to the Group for up to ten years. The actual amount of the loans for these project companies will ultimately depend on the available funds and their respective business conditions. Regardless of the circumstances, the project companies may demand repayment of the loans advanced,

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## LETTER FROM THE BOARD

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proportional to the equity interests of the relevant shareholders. Therefore, the loans under the New Loan Agreements will not adversely affect the business operations of the project companies.

In the PRC, it generally takes a substantial amount of time to distribute a project company's dividends. This is primarily because a project company can only distribute dividends after vacant possession of the property is delivered to the new property owner, and all required taxes are fully paid. However, the pre-sale of properties under construction is permitted under relevant PRC laws. As a result, a project company could generate a significant amount of idle funds from the pre-sale of these properties. However, these funds cannot be distributed as dividends to the shareholders due to the aforementioned reasons. Therefore, it is in the shareholders' best interest to utilize these idle funds by advancing loans to the project company's shareholders. Based on the principles of equality and equal sharing of the economic interests among the shareholders of the project companies, the Company and various minority shareholders of the project companies have agreed to enter into the New Loan Agreements. The principles of equality and equal sharing of the economic interests are reflected in the terms of the New Loan Agreements, where the loans are advanced interest free and proportional to the equity interest among the shareholders in the project companies.

The loan proceeds from the New Loan Agreements will be utilized as general working capital for the Group. Since the loans are interest-free, they will significantly reduce the finance costs for the Group. Furthermore, this additional capital ensures that the Group maintains adequate liquidity to meet short-term obligations and operational expenses, ensuring that ongoing projects proceed without disruption. This could include general working capital needs or the development of other projects.

With this access to additional working capital, the Company is poised to make swift investments in strategic land acquisitions, initiate new projects, or commence construction work to broaden its market footprint, should suitable opportunities present themselves. At present, the Company has not pinpointed specific targets for land acquisition, new projects, or construction work. Nonetheless, the Company remains vigilant in market observation and is prepared to make prudent investments when appropriate opportunities present themselves.

Based on the above, the Directors (including all the independent non-executive Directors) are of the view that the terms of each of the New Loan Agreements are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **INFORMATION RELATING TO THE COMPANY AND THE GROUP**

#### **The Company**

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

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## LETTER FROM THE BOARD

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### **Kunshan Yuecheng**

Kunshan Yuecheng, the lender of Loan 7, is a limited liability company established in the PRC, which principally engaged in property development and operation and construction engineering design and is an indirect 51% owned subsidiary of the Company. The remaining 49% interest is held as to 44% and 5% by Suzhou China Merchants and Kunshan Xincheng, respectively.

### **SZ Baozhuo**

SZ Baozhuo, the lender of Loan 8, is a limited liability company established in the PRC, which principally engaged in property development and is an indirect 51% owned subsidiary of the Company. The remaining 49% interest is held by SZ China Merchants.

### **SZ Baojie**

SZ Baojie, the lender of Loan 9, is a limited liability company established in the PRC, which principally engaged in property development and is an indirect 51% owned subsidiary of the Company. The remaining 49% interest is held by SZ China Merchants.

SZ Baozhuo, SZ Baojie together with Kunshan Yuecheng on an aggregated basis are an “insignificant subsidiary” of the Company as defined by Rule 14A.09(1) of the Listing Rules.

### **SH Shengzhaohui**

SH Shengzhaohui, the lender of Loan 10, is a limited liability company established in the PRC, which principally engaged in real estate development and operation and construction engineering design and is an indirect 51% owned subsidiary of the Company. The remaining 49% interest is held by SZ Zhaokun.

### **Poly Jiangsu**

Poly Jiangsu, one of the borrowers of Loan 7, is a limited liability company established in the PRC, which principally engaged in property development and is an indirect wholly-owned subsidiary of the Company.

### **Huizhou Baozhi**

Huizhou Baozhi, one of the borrowers of Loan 8 and Loan 9, is a limited liability company established in the PRC, which principally engaged in property development and is an indirect wholly-owned subsidiary of the Company.

### **SH Shengwang**

SH Shengwang, one of the borrowers of Loan 10, is a limited liability company established in the PRC, which principally engaged in property development and is an indirect wholly-owned subsidiary of the Company.

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## LETTER FROM THE BOARD

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### INFORMATION RELATING TO SUZHOU CHINA MERCHANTS, SZ CHINA MERCHANTS, KUNSHAN XINCHENG AND SZ ZHAOKUN

#### Suzhou China Merchants

Suzhou China Merchants, one of the borrowers of Loan 7, is a limited liability company established in the PRC, which principally engaged in real estate development and operation, house sales and leasing, property management, business management, and real estate project consulting and management. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, China Merchants Shekou Industrial Zone Holdings Co., Ltd.\* (招商局蛇口工業區控股股份有限公司) (a listed company on the Shenzhen Stock Exchange, with a stock code of SZ.001979) and Shenzhen China Merchants Real Estate Company Limited\* (深圳招商房地產有限公司) own 95% and 5% of the equity interest in Suzhou China Merchants, respectively. Shenzhen China Merchants Real Estate Company Limited is a wholly-owned subsidiary of China Merchants Shekou Industrial Zone Holdings Co., Ltd. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Suzhou China Merchants and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons under the Listing Rules.

#### SZ China Merchants

SZ China Merchants, one of the borrowers of the Loan 8 and Loan 9, is a limited liability company established in the PRC, which principally engaged in real estate development and operation, property management, housing rental, interior and exterior design services, business information consulting, and parking management services. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, China Merchants Shekou Industrial Zone Holdings Co., Ltd.\* (招商局蛇口工業區控股股份有限公司) (a listed company on the Shenzhen Stock Exchange, with a stock code of SZ.001979) and Shenzhen TCL Real Estate Company Limited\* (深圳TCL房地產有限公司) own 70% and 30% of the equity interest in SZ China Merchants, respectively. TCL Technology Industry Company Limited\* (TCL科技產業園有限公司) and Shenzhen Haiguzhou Real Estate Development Company Limited\* (深圳市海谷州置業發展有限公司) own 70% and 30% of the equity interest in Shenzhen TCL Real Estate Company Limited, respectively. Huizhou Lida Tiancheng Equity Investment Company Limited\* (惠州礪達天成股權投資有限公司) and Zhong Weijian\* (鐘偉堅) indirectly own 99.99% and 0.01% of the equity interest in TCL Technology Industry Company Limited, and Li Dongsheng\* (李東生) own 51% of the equity interest in Huizhou Lida Tiancheng Equity Investment Company Limited. The equity interest in Huizhou Lida Tiancheng Equity Investment Company Limited held by each of its remaining shareholder is no more than 30%. Shenzhen Haiguchi Investment Company Limited\* (深圳市海谷池投資有限公司) own 71.66% of the equity interest in Shenzhen Haiguzhou Real Estate Development Company Limited. The equity interest in Shenzhen Haiguzhou Real Estate Development Company Limited held by each of its remaining shareholder is no more than 30%. Shenzhen Haiguchi Investment Company Limited is ultimately held as to 65% and 35% by Cui Xiaowen\* (崔曉文) and Cui Yizheng\*

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## LETTER FROM THE BOARD

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(崔宜征), respectively. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, SZ China Merchants and its ultimate beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

### **Kunshan Xincheng**

Kunshan Xincheng, one of the borrowers of Loan 7, is a limited liability company established in the PRC, which principally engaged in real estate development, property management, and market construction development and management. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Kunshan Xincheng is a wholly-owned subsidiary of Kunshan Guochuang Investment Group Co., Ltd.\* (昆山國創投資集團有限公司). Kunshan Guochuang Investment Group Co., Ltd. is a wholly-owned subsidiary of Kunshan Municipal Government State-owned Assets Supervision and Administration Office\* (昆山市政府國有資產監督管理辦公室). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Kunshan Xincheng and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons under the Listing Rules.

### **SZ Zhaokun**

SZ Zhaokun, one of the borrowers of Loan 10, is a limited liability company established in the PRC, which principally engaged in real estate development, property management, and market construction development and management, housing leasing and real estate agency services. SZ Zhaokun is an indirect wholly-owned subsidiary of C&D International Investment Group Limited (建發國際投資集團有限公司) (a listed company on the Stock Exchange, with a stock code of 1908). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, SZ Zhaokun is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of SH Shenzhaohui. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date and save as to the disclosure above, SZ Zhaokun and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons under the Listing Rules.

## **LISTING RULES IMPLICATIONS**

### **Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9**

As the Group granted Loan 1 and Loan 3 to SZ China Merchants on 15 August 2022, and further granted certain portions of Loan 5 and Loan 6 to SZ China Merchants on 27 February 2023, and since SZ China Merchants and Suzhou China Merchants are subsidiaries of China Merchants Shekou Industrial Zone Holdings Co., Ltd.\* (招商局蛇口工業區控股股份有限公司) (a listed company on the Shenzhen Stock Exchange, with a stock code of SZ.001979), Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9 should be aggregated with Loan 1, Loan 3 and portions of

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## LETTER FROM THE BOARD

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Loan 5 and Loan 6 relating to SZ China Merchants and treated as if they were one transaction in calculating the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules).

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9 when aggregated with Loan 1, Loan 3, portion of Loan 5 and Loan 6 relating to SZ China Merchants exceed 25% but all of which are below 75%, and accordingly, the granting of Suzhou China Merchants' Loan 7, SZ China Merchants' Loan 8 and SZ China Merchants' Loan 9 constitute a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Loan 2, Loan 4, and the remaining portions of Loan 5, Loan 6, Loan 8 and Loan 9 were granted or to be granted to Huizhou Baozhi, an indirect wholly-owned subsidiary of the Company, these loans would not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The portion of Loan 7 to be granted to Kunshan Xincheng would not exceed 5% of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules). Therefore, such portion of Loan 7 to be granted would not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Since Poly Jiangsu is an indirect wholly-owned subsidiary of the Company, the remaining of Loan 7 to be granted to Poly Jiangsu would not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

### **SZ Zhaokun's Loan 10**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of SZ Zhaokun's Loan 10 exceed 25% but all of which are below 75%, and accordingly, the granting of SZ Zhaokun's Loan 10 constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the SZ Zhaokun is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of SH Shenzhaohui, the SZ Zhaokun's Loan 10 constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) SZ Zhaokun is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Loan Agreement 10 are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) have approved the transactions and confirmed that the transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Loan Agreement 10 are subject to reporting and announcement but are exempted from independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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The remaining portion of Loan 10 to be granted to SH Shengwang, an indirect wholly-owned subsidiary of the Company, would not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

None of the Directors has any interest in the New Loan Agreements and is required to abstain from voting on the same at the relevant meeting of the Board.

### **EGM**

The notice of the EGM is set out on pages 35 to 36 of this circular. At the EGM, ordinary resolutions will be separately proposed to consider and approve each of the New Loan Agreements and the transactions contemplated thereunder.

Each of the New Loan Agreements is subject to the approval of the Shareholders at the EGM, but the approval of which is not inter-conditional. In other words, the New Loan Agreements may be individually approved by the Shareholders.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the transactions contemplated under the New Loan Agreements and no Shareholder will be required to abstain from voting on the resolutions to be proposed at the EGM. The aforementioned resolutions will be put forwards as ordinary resolutions and voting will be taken by way of poll in accordance with the requirements of the Listing Rules.

### **RECOMMENDATION**

The Directors (including all the independent non-executive Directors) believe that the terms of the New Loan Agreements are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors (including all the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM as set out in the notice of the EGM.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the appendices as set out in this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Poly Property Group Co., Limited**  
**Wan Yuqing**  
*Chairman*

## I. FINANCIAL INFORMATION OF THE GROUP

The details of the financial information of the Group for the year ended 31 December 2022 has been disclosed on pages 139 to 367 of the 2022 annual report of the Company published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042801646.pdf>) and the website of the Company ([https://www.polyhongkong.com/a\\_images/files/202306272043.pdf](https://www.polyhongkong.com/a_images/files/202306272043.pdf)).

The details of the financial information of the Group for the financial year ended 31 December 2021 has been disclosed on pages 143 to 370 of the 2021 annual report of the Company published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042700561.pdf>) and the website of the Company ([http://www.polyhongkong.com/a\\_images/files/20220428111243.pdf](http://www.polyhongkong.com/a_images/files/20220428111243.pdf)).

The details of the financial information of the Group for the year ended 31 December 2020 has been disclosed on pages 123 to 339 of the 2020 annual report of the Company published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901467.pdf>) and the website of the Company ([http://www.polyhongkong.com/a\\_images/files/202104295363.pdf](http://www.polyhongkong.com/a_images/files/202104295363.pdf)).

## II. INDEBTEDNESS

As at the close of business on 30 November 2023, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had the following outstanding borrowings:

	<i>RMB million</i> <i>(approximate)</i>
Bank and other borrowings	
— secured ( <i>note 1</i> )	23,943
— unsecured	30,768
Amounts due to associates ( <i>note 2</i> )	1,104
Amounts due to joint ventures ( <i>note 3</i> )	1,017
Amount due to the ultimate holding company ( <i>note 4</i> )	8
Amount due to an intermediate holding company ( <i>note 5</i> )	3
Amounts due to non-controlling shareholders of subsidiaries ( <i>note 6</i> )	3,434
Loan from a fellow subsidiary ( <i>note 7</i> )	180
Notes payable ( <i>note 8</i> )	19,214
Lease liabilities	59
	<u>79,730</u>

*Notes:*

1. As at 30 November 2023, the Group's credit facilities were secured by certain of the Group's investment and hotel properties, buildings, right-of-use assets, properties under development and properties held for sale with an aggregate net book value of approximately RMB29,636 million and bank deposits amounting to approximately RMB250 million. In addition, the Group's interests in certain subsidiaries were pledged to secure credit facilities granted to the Group. The net assets value of those subsidiaries amounted to approximately RMB66 million.
2. The amounts due to associates are unsecured, interest-free and repayment on demand.
3. The amounts due to joint ventures are unsecured, interest-free and repayable on demand. Except for the amount of approximately RMB99 million bears interest at a fixed rate of 4.35% per annum.
4. The amount due to the ultimate holding company is unsecured, interest-free and repayable on demand.
5. The amount due to an intermediate holding company is unsecured, interest-free and repayable on demand.
6. The amounts due to non-controlling shareholders of subsidiaries are unsecured, interest-free and repayable on demand. Except for the amount of approximately RMB2,005 million bear interest at fixed rate ranging from 5.35% to 8% per annum and the amount of approximately RMB397 million bears interest at a variable rate 120% of benchmark rate in the PRC.
7. The loan from a fellow subsidiary is unsecured, interest-free and repayment upon expiration of the term of the co-operation agreement of Poly Plaza Limited, a subsidiary of the Company.
8. The Group has issued the following notes payable:
  - (i) On 10 November 2020, the Group issued the 4.0% notes due in 2025 in the aggregate principal amount of US\$500 million (equivalent to RMB3,588 million). The note bears interest at the rate of 4% per annum.
  - (ii) On 8 September 2021, the Group issued the 3.29% notes due in 2024 in the aggregate principal amount of RMB626 million. The note bears interest at the rate of 3.29% per annum.
  - (iii) On 18 February 2022, the Group issued the 2.99% and 3.66% notes due in 2025 and 2027 in the aggregate principal amount of RMB1,500 million and RMB500 million respectively. The notes bear interest at the rate of 2.99% and 3.66% per annum respectively.
  - (iv) On 13 April 2022, the Group issued the 3.35% notes due in 2025 in the aggregate principal amount of RMB1,500 million. The note bears interest at the rate of 3.35% per annum.
  - (v) On 6 June 2022, the Group issued the 3.2% and 3.65% notes due in 2025 and 2027 in the aggregate principal amount of RMB1,000 million and RMB500 million respectively. The notes bear interest at the rate of 3.2% and 3.65% per annum respectively.
  - (vi) On 20 June 2022, the Group issued the 3.17% and 3.68% notes due in 2025 and 2027 in the aggregate principal amount of RMB500 million and RMB500 million respectively. The notes bear interest at the rate of 3.17% and 3.68% per annum respectively.
  - (vii) On 26 August 2022, the Group issued the 3.29% note due in 2025 in the aggregate principal amount of RMB1,000 million. The note bears interest at the rate of 3.29% per annum.

- (viii) On 1 November 2022, the Group issued the 3.30% note due in 2027 in the aggregate principal amount of RMB1,000 million. The note bears interest at the rate of 3.3% per annum.
- (ix) On 9 January 2023, the Group issued the 3.82% note due in 2026 in the aggregate principal amount of RMB1,500 million. The note bears interest at the rate of 3.82% per annum.
- (x) On 24 February 2023, the Group issued the 3.7% and 4.2% notes due in 2028 and 2030 in the aggregate principal amount of RMB1,000 million and RMB1,000 million respectively. The notes bear interest at the rate of 3.7% and 4.2% per annum respectively.
- (xi) On 6 April 2023, the Group issued the 3.47% and 3.88% notes due in 2028 and 2030 in the aggregate principal amount of RMB500 million and RMB1,500 million respectively. The notes bear interest at the rate of 3.47% and 3.88% per annum respectively.
- (xii) On 27 July 2023, the Group issued the 3.4% note due in 2026 in the aggregate principal amount of RMB1,000 million. The note bears interest at the rate of 3.4% per annum.
- (xiii) On 17 October 2023, the Group issued the 3.48% note due in 2026 in the aggregate principal amount of RMB500 million. The note bears interest at the rate of 3.48% per annum.

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks approximately RMB28,564 million as at 30 November 2023. Such guarantees will terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the buyers of the properties. The Group has not recognized any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loan guaranteed by the Group in the event the purchasers default payments to the banks.

At 30 November 2023, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group approximately RMB7,578 million, of which approximately RMB5,199 million had been utilized by these associates and joint ventures.

Save as aforesaid or otherwise disclosed in the paragraphs above, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at 30 November 2023, the Group had no other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, debt securities and other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

### III. WORKING CAPITAL

The Directors, after due consideration, are of the opinion that based on the expected cash flows, banking facilities, loans from other parties, the internal resources available, and the effect of the transactions contemplated under the New Loan Agreements, the Group will have sufficient working capital for a period of 12 months from the date of this circular.

#### IV. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made.

#### V. FINANCIAL AND BUSINESS OUTLOOK

In 2023, as China's economy and society returned to normal operations, the economy began to show signs of stabilization and improvement. The property market witnessed substantial shifts in the supply-demand relationship. During the first eleven months, sales of commodity properties in China reached approximately RMB10.5 trillion, representing a 5.2% decrease compared to the same period last year. Leading real estate enterprises increasingly concentrated on core cities, while the land market exhibited mixed trends — partially positive with opportunities for growth, though facing some challenges and difficulties.

The Group has strategically redirected its expansion efforts toward high-potential cities, prioritizing projects that ensure rapid cash flow turnover and profitability. In the first half of the year 2023, the Company secured five new projects in Shanghai, Guangzhou, Suzhou, Kunshan, and Nanning, expanding its land reserve by 1,050,000 square meters. As of 30 June 2023, the share of land reserves in the Yangtze River Delta and Greater Bay Area reached 48%, representing a 5% increase as compared with the last year end. Similarly, the share of land reserves in first-tier cities rose by 3% to 25% as compared with the last year end.

This strategic adjustment in land reserve allocation has enhanced the Group's operational resilience and risk mitigation capacity amid market fluctuations. For the first half of the year 2023, the Group reported contracted sales of RMB37.4 billion, with a collection of RMB35.9 billion, resulting in a high collection ratio of 96%. By the end of November 2023, the Group reached a contracted sales value of RMB50.6 billion, marking a year-on-year increase of 12%. The contracted sales area amounted to 2,117 thousand square meters, with an average selling price of RMB23,894 per square meter.

Thanks to robust cash collection and a cautious yet assertive expansion strategy, as at the end of this June, the net gearing ratio significantly decreased by 18.6% to 97.3% compared with the end of last year, and the total debt was reduced by RMB2.9 billion, or 3.7%. Concurrently, the Group focused on enhancing its debt structure. In the first half of the year, it issued RMB4.0 billion in corporate bonds and RMB1.5 billion in medium-term notes, which lowered the average financial cost to 4.05%, a decrease of 0.21 percentage points from the previous year-end.

The Central Politburo’s conference in late July emphasized the importance of adjusting and optimizing property policies as needed. It advocated for the strategic use of the policy toolkit to address the specific circumstances of different cities, aiming to fulfill the essential and upgraded housing needs of residents and foster a stable and healthy property market. The Group embraces its corporate ethos of “red genes to forge the soul, blue genes to create success.” Despite challenging times, the Group continues to enhance its product quality and market presence, upholds the tenet of “ensuring safety, quality, and delivery,” and is committed to contributing to the betterment of people’s lives and the high-quality progress of the industry.

**I. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**II. DIRECTORS' INTERESTS**

- (1) As at the Latest Practicable Date, the Directors of the Company had, or were deemed to have interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange:

Name of Director	Interests in the Company or its associated corporations	Capacity in which interest is held	Long/short position	No. of ordinary shares	Approximate percentage of shares in the issued share capital
Miss Leung Sau Fan, Sylvia	Company	Beneficial Owner	Long	33,000	0.001

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at the Latest Practicable Date.

- (2) As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2022 (being the date on which the latest published audited consolidated accounts of the Company were prepared) been acquired or disposed of by or leased to or by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to or by the Company or any of its subsidiaries.
- (3) As at the date of this circular, none of the Directors was materially interested, either directly or indirectly, in any transaction, contract or arrangement which is of significance to the business of the Group and to which the Company or any of its subsidiaries, its parent company and the subsidiaries of its parent company was a party, which was subsisting.

- (4) Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

### III. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors and their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

### IV. SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as was known to any Directors, as at the Latest Practicable Date, the following persons (not being a Director, chief executive of the Company nor any member of the Group) had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO) or were directly or indirectly interested in 5% or more of the nominal value of any class of shares carrying rights to vote in all circumstances at general meetings of any member of the Group:

Shareholders	Capacity	Number of Shares/ underlying Shares held <i>(Note 1)</i>	Percentage of the total share capital (%) <i>(Note 2)</i>
China Poly Group Corporation Limited <sup>(Note 3)</sup>	Beneficial owner	253,788,246	48.09%
	Interest of controlled corporation	1,583,738,058	
Poly Developments and Holdings Group Co., Ltd. <sup>(Note 4)</sup>	Interest of controlled corporation	1,583,738,058	41.45%
Poly (Hong Kong) Holdings Limited <sup>(Note 5)</sup>	Beneficial owner	120,381,544	41.45%
	Interest of controlled corporation	1,463,356,514	
Ting Shing Holdings Limited <sup>(Note 6)</sup>	Interest of controlled corporation	1,463,356,514	38.30%
Congratulations Company Ltd.	Beneficial owner	1,111,578,283	29.09%
Source Holdings Limited <sup>(Note 7)</sup>	Beneficial owner	244,594,241	9.21%
	Interest of controlled corporation	107,183,990	

*Notes:*

- (1) “L” stands for long positions.
- (2) The percentage is calculated with the number of the relevant Shares of the Company issued as at the Latest Practicable Date divided by the total number of Shares. As at the Latest Practicable Date, the total number of Shares is 3,821,183,118.
- (3) China Poly Group Corporation Limited directly beneficial holds 253,788,246 shares of the Company and owns 50% issued share capital of Poly (Hong Kong) Holdings Limited, and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.
- (4) Poly Developments and Holdings Group Co., Ltd. owns 50% of the issued share capital of Poly (Hong Kong) Holdings Limited and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.
- (5) Poly (Hong Kong) Holdings Limited is deemed by the SFO to be interested in 1,583,738,058 shares of the Company as a result of its direct holding of 120,381,544 shares and indirect holding of 1,463,356,514 shares through its wholly-owned subsidiary, Ting Shing Holdings Limited.
- (6) Ting Shing Holdings Limited is deemed by the SFO to be interested in 1,463,356,514 shares of the Company as a result of its indirect holding of 1,463,356,514 shares through its subsidiaries, Source Holdings Limited and Congratulations Company Ltd., of 351,778,231 shares and 1,111,578,283 shares, respectively.
- (7) Source Holdings Limited is deemed by the SFO to be interested in 351,778,231 shares of the Company as a result of its direct holding of 244,594,241 shares and indirect holding of 107,183,990 shares through its wholly-owned subsidiaries, Musical Insight Holdings Limited and Wincall Holding Limited, of 47,825,571 shares and 59,358,419 shares, respectively.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, there were no other persons who had interests or short positions in the Shares or underlying Shares of the Company, which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## V. SERVICE CONTRACTS

As at the date of this circular, none of the Directors had entered into or was proposing to enter into any service contracts with the Company or any of its subsidiaries, excluding contracts expiring or terminable within one year without payment of compensation other than statutory compensation.

## VI. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the Company or any members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

1. The Loan Agreement 1
2. The Loan Agreement 3
3. The Loan Agreement 5
4. The Loan Agreement 6

## VII. MATERIAL LEGAL PROCEEDINGS

References are made to the announcements of the Company dated 25 September 2019 and 11 May 2020 in relation to the proposed disposal of interest in Win Loyal Development Limited. On 8 May 2020, Active Success Consultants Limited (“**Active Success**”), Poly Property (Hong Kong) Co., Limited (“**Poly HK**”), and Polymac Propriedade Sociedade Unipessoal Limitada (“**Polymac**”, and together with Active Success and Poly HK, the “**Defendants**”) received a writ of summons under action number HCA 467 of 2020 (the “**Writ**”) issued in the Court of First Instance of the High Court of Hong Kong by the solicitors acting for Mr. Sio Tak Hong (“**Mr. Sio**”) and Best Attitude International Limited (“**Best Attitude**”, and together with Mr. Sio, the “**Plaintiffs**”). Poly HK is a wholly-owned subsidiary of the Company; Polymac is a wholly-owned subsidiary of Poly HK; and Active Success is a wholly-owned subsidiary of Polymac. Pursuant to the Writ, the Plaintiffs seek, *inter alia*, a declaration that the sale notice issued by Active Success on 25 September 2019 is invalid and has no legal effect. The Company considers such sale notice to be valid. The legal proceedings are ongoing.

As at the Latest Practicable Date, save for the above and as far as the Directors are aware, the Company has not been involved in any material litigation or arbitration and there were no material litigations or claims known to the Directors to be pending or threatened against the Company.

## VIII. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.polyhongkong.com/en/index.html>) from the date of this circular up to and including the date of the EGM:

1. The Loan Agreement 7
2. The Loan Agreement 8
3. The Loan Agreement 9

4. The Loan Agreement 10
5. the material contracts as referred to in the paragraph headed “VI. MATERIAL CONTRACTS” in this appendix
6. the Articles of Association of the Company
7. the 2021 annual report of the Company and the 2022 annual report of the Company
8. this circular

**IX. GENERAL**

- (1) The registered office of the Company is Room 2503, Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong.
- (2) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited of Shops 1712–1716, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (3) The company secretary of the Company is Mr. WONG Cheuk Him.
- (4) If there is any discrepancy between the English text and Chinese text of this circular, the English text shall prevail.

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## NOTICE OF EGM

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# Poly Property Group Co., Limited

## 保利置業集團有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00119)**

### NOTICE OF EGM

**NOTICE IS HEREBY GIVEN** that an EGM (the “EGM”) of Poly Property Group Co., Limited (the “**Company**”) will be held on Wednesday, 31 January 2024 at 10:30 a.m. at R1 & R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong to consider and, if thought fit, pass the following ordinary resolution (with or without modifications):

#### ORDINARY RESOLUTIONS

**“THAT**

1. the Loan Agreement 7 dated 22 December 2023 entered into amongst Poly Jiangsu, Suzhou China Merchants, Kunshan Xincheng and Kunshan Yuecheng in relation to Loan 7 and the transactions contemplated thereunder be and are hereby generally and unconditionally approved, ratified and confirmed and the execution of the Loan Agreement 7 by the Directors of the Company be approved, ratified and confirmed;
2. the Loan Agreement 8 dated 22 December 2023 entered into amongst SZ Baozhuo, Huizhou Baozhi and SZ China Merchants in relation to Loan 8 and the transactions contemplated thereunder be and are hereby generally and unconditionally approved, ratified and confirmed and the execution of the Loan Agreement 8 by the Directors of the Company be approved, ratified and confirmed;
3. the Loan Agreement 9 dated 22 December 2023 entered into amongst SZ Baojie, Huizhou Baozhi and SZ China Merchants in relation to Loan 9 and the transactions contemplated thereunder be and are hereby generally and unconditionally approved, ratified and confirmed and the execution of the Loan Agreement 9 by the Directors of the Company be approved, ratified and confirmed; and
4. the Loan Agreement 10 dated 22 December 2023 entered into amongst SH Shengzhaohui, SH Shengwang, and SZ Zhaokun in relation to Loan 10 and the transactions contemplated thereunder be and are hereby generally and unconditionally approved, ratified and confirmed and the execution of the Loan Agreement 10 by the Directors of the Company be approved, ratified and confirmed.”

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## NOTICE OF EGM

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In this notice, unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Company's circular dated 16 January 2024.

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

Hong Kong, 16 January 2024

*Notes:*

- (1) A shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
- (3) Pursuant to Rule 13.39(4) of the Listing Rules, the resolution set out in this notice will be decided by poll at the EGM.
- (4) If there is a Black Rainstorm Warning Signal or a Typhoon Signal No. 8 or above is hoisted at or after 8:30 a.m. on the date of the EGM and/or the Hong Kong Observatory has announced at or before 8:30 a.m. on the date of the EGM that either of the above mentioned warnings is to be issued within the next two hours, the EGM will be postponed.