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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)**

## **FURTHER CHANGE OF USE OF PROCEEDS FROM THE GLOBAL OFFERING**

References are made to the prospectus of Poly Property Services Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 9 December 2019 (the “**Prospectus**”) in relation to the global offering (the “**Global Offering**”) and the listing of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited, and the announcements of the Company dated 1 April 2021, 16 July 2021 and 30 December 2022 in relation to change of use of proceeds from the Global Offering (the “**Announcement**”). Unless otherwise stated, the terms used in this announcement have the same meanings as those defined in the Prospectus and the Announcement.

## **CHANGE IN THE INTENDED ALLOCATION OF USE OF PROCEEDS AND EXPECTED TIMETABLE FOR THEIR UTILISATION**

On 31 December 2024, the board of directors of the Company (the “**Board**”) approved the further change in the intended allocation of the use of net proceeds from the Global Offering and the expected timetable for their utilisation. Details of the further revised use of the net proceeds are set out below:

Use of the net proceeds as stated in the Announcement	Net proceeds for planned use as stated in the Announcement <i>HK\$ millions</i>	Original	Net proceeds for revised planned use <i>HK\$ millions</i>	Revised percentage of net proceeds <i>%</i>	Net proceeds actually utilised as of 30 November 2024 <i>HK\$ millions</i>	Balance of unutilised proceeds as of 30 November 2024 <i>HK\$ millions</i>	Expected	Revised expected timetable for utilising the unutilised net proceeds
		percentage of net proceeds as stated in the Announcement <i>%</i>					timetable for utilising the unutilised net proceeds as stated in the Announcement	
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 business collaborative partners	965.4	18.5	756.6	14.5	201.3	555.3	On or before 31 December 2024	On or before 31 December 2027
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	3,261.4	62.5	3,261.4	62.5	3,261.4	0.0	On or before 31 December 2024	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	469.6	9.0	260.9	5.0	68.0	192.9	On or before 31 December 2024	On or before 31 December 2027
Working capital and general corporate purpose	521.8	10.0	939.3	18.0	519.3	419.9	On or before 31 December 2024	On or before 31 December 2027
<b>Total</b>	<b>5,218.2</b>	<b>100.0</b>	<b>5,218.2</b>	<b>100.0</b>	<b>4,050.1</b>	<b>1,168.1</b>		

*Note:* For the avoidance of doubt, any discrepancies between the total and the sums of the amounts listed in the table are due to rounding.

## **REASONS FOR AND BENEFITS OF THE FURTHER CHANGE IN THE ALLOCATION OF USE OF PROCEEDS AND EXPECTED TIMETABLE FOR THEIR UTILISATION**

### **1. Strategic investment**

Since the listing of the Company, the Company has been identifying suitable acquisition targets and conducting feasibility studies and/or due diligence on a number of potential acquisition targets, including companies engaged in businesses related to property management or value-added services. However, in view of a number of external objective factors, including market conditions, merger and acquisition opportunities and business environment, the Company expects that more time is required to identify investments and acquisitions that align with the Company's development strategy in terms of business scope, scale and valuation. Taking into account the pace and scale at which the Company expects to allocate capital to strategic investment, the Company proposes to extend the expected timetable for the utilisation of the 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" and to appropriately reduce the percentage of proceeds allocated to that purpose, with a view to utilising the proceeds more effectively for the sustained growth and development of the Group's business. The Company will continue to actively identify suitable investment and acquisition targets and will comply with the applicable listing requirements when entering into any agreements or arrangements.

### **2. Upgrading digitisation and smart management systems**

Since its listing, the Company has been increasing its investment in the development of digitisation and smart systems to enhance its management efficiency and level of management refinement. Taking into account the fact that the upgrading of the Group's systems of digitisation and smart management requires phased investment, the Group's expected pace of capital use and the capital needs at this stage, the Company proposes to extend the expected timetable for the utilisation of the net proceeds for "upgrading digitisation and smart management systems" and to appropriately reduce the percentage of proceeds allocated to that purpose so that the Company can utilise the proceeds in a more effective manner.

### **3. Working capital and general corporate purpose**

In addition, since the listing of the Company, the scale and number of projects under management of the Company has been growing, which has in turn led to a continuous rise in working capital. Accordingly, the Company proposes to reallocate a portion of the unutilised net proceeds for the aforementioned purposes of “strategic investment” and “upgrading digitisation and smart management systems” to the “working capital and general corporate purpose”, and to extend the expected timetable for the utilisation of the net proceeds for that purpose. This change of allocation will enhance the Group’s flexibility in capital management, thus allowing the Group to plan its long-term development in a more flexible manner.

**Based on the aforementioned reasons and benefits, the Board considers that the change of use of net proceeds is fair and reasonable and will enable the Group to meet its needs of utilising proceeds in a more efficient and flexible manner. The Board is also of the opinion that there is no material change in the nature of the Group’s business as set out in the Prospectus, and the proposed change of use of net proceeds shall not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.**

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

Guangzhou, the PRC, 31 December 2024

*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 and Mr. Huang Hai; and the independent non-executive directors of the Company are Mr. Wang Xiaojun, Ms. Tan Yan and Mr. Zhang Liqing.*