



# 金融街物業股份有限公司

**FINANCIAL STREET PROPERTY CO., LIMITED**

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

Stock Code : 1502

**2023** Interim Report



# Contents

2	Corporate Information
4	Chairman's Statement
7	Management Discussion and Analysis
22	Corporate Governance and Other Information
30	Independent Review Report
32	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
34	Condensed Consolidated Statement of Financial Position
36	Condensed Consolidated Statement of Changes in Equity
37	Condensed Consolidated Statement of Cash Flows
38	Notes to Condensed Consolidated Financial Statements

\* *English translation is for reference only*

### EXECUTIVE DIRECTORS

Mr. Sun Jie (*Chairman*)  
Ms. Xue Rui

### NON-EXECUTIVE DIRECTORS

Mr. Shen Mingsong  
(*resigned with effect from 8 June 2023*)  
Ms. Hu Yuxia  
(*appointed with effect from 8 June 2023*)  
Mr. Liang Jianping  
Mr. Li Liang  
Ms. Zhao Lu

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Song Baocheng  
Ms. Tong Yan  
Ms. Lu Qing

### SUPERVISORS

Mr. Liu Anpeng  
(*Chairman of the Supervisory Committee*)  
Ms. Gao Minghui  
Ms. Lyu Min

### JOINT COMPANY SECRETARIES

Mr. Chen Xi  
Ms. Ho Wing Nga FCG HKFCG (PE)

### AUTHORISED REPRESENTATIVES

Mr. Sun Jie  
Ms. Ho Wing Nga FCG HKFCG (PE)

### AUDIT COMMITTEE

Ms. Tong Yan (*Chairman*)  
Ms. Zhao Lu  
Mr. Song Baocheng

### NOMINATION COMMITTEE

Mr. Sun Jie (*Chairman*)  
Mr. Song Baocheng  
Ms. Tong Yan

### REMUNERATION COMMITTEE

Ms. Lu Qing (*Chairman*)  
Ms. Hu Yuxia  
Mr. Song Baocheng

### REGISTERED OFFICE

33 Financial Street  
Xicheng District  
Beijing  
the PRC

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

24/F, Xihuan Plaza Tower 2  
1 Xizhimenwai Avenue  
Xicheng District  
Beijing  
the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE

46/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-16, 17/F  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## PRINCIPAL BANKS

China Minsheng Bank Beijing Financial Street Sub-branch  
China Merchants Bank Financial Street Sub-branch

## AUDITOR

Grant Thornton Hong Kong Limited  
Certified Public Accountants in Hong Kong  
11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay, Hong Kong

## LEGAL ADVISERS

as to Hong Kong law:

Jingtian & Gongcheng LLP

## STOCK CODE

1502

## COMPANY WEBSITE ADDRESS

[www.jrjlife.com](http://www.jrjlife.com)

## Chairman's Statement

Dear Shareholders,

On behalf of Financial Street Property Co., Limited (“**Financial Street Property**” or the “**Company**”) and its subsidiaries (collectively the “**Group**” or “**we**”), I am pleased to present the unaudited consolidated results of the Group for the six months ended 30 June 2023 (the “**Reporting Period**” or the “**Period**”).

In the first half of 2023, the domestic economy showed an upturn but there were still new difficulties and challenges. Faced with a complicated market environment, the Group remained confident in its development, upheld its strategies, sought progress in a stable manner, focused on its own capacity building and enhancement of competitive advantages, and continued to drive the long-term stable development of the Company.

### **REINFORCING BUSINESS STRENGTHS AND EXPANDING BUSINESS SCALE**

In the first half of 2023, the Group further implemented its strategy of scale expansion, upheld the “headquarters + regional” expansion structure, moved forward on three major expansion paths, namely market expansion, joint venture cooperation and investment and acquisition, further reinforced its strengths in the non-residential sector and achieved a steady increase in the scale of its business. In terms of market expansion, the Group continued to strengthen its awareness of market competition and enhance its market expansion capabilities. Leveraging on its state-owned enterprise nature and rich experience in commercial property services, the Group firmly grasped the opportunities arising from the reform of the logistics socialization of governmental agencies and central state-owned enterprises, and won the tenders for a number of property services projects in governmental office areas, military barracks and central state-owned enterprises. In terms of joint venture cooperation, the Group established a joint venture, Shandong Financial Street Property Co., Ltd.\* (山東金融街物業有限公司), with a partner and plans to undertake a number of industrial park projects. In terms of investment and acquisition, the Company entered into a share sale and purchase agreement for the acquisition of 70% equity interest in Top Property Services Company Limited (置佳物業服務有限公司). The acquisition will further enhance the business scale and market competitiveness of the Group.

As of 30 June 2023, the Group's operations covered 17 provinces and municipalities in six regions of Northern China, Southwestern China, Eastern China, Southern China, Northeastern China and Central China. The total number of projects under management was 253, representing an increase of 29 projects over the same period last year. The total GFA under management was approximately 36.12 million sq.m.

## **EXPANDING VALUE-ADDED SERVICES AND MAKING ONGOING EFFORTS TO OPTIMISE AND INNOVATE**

Adhering to the development strategy of “focusing on one core business with diversified business activities”, the Group continuously improves its special value-added services system, with business categories such as asset operation, resource management, customised services, business operation and consulting services as well as the IZEE value-added services brand. The Group has further promoted refined management of its value-added business to improve the operational efficiency of value-added services in an effective manner. In the first half of 2023, the Group commenced an in-depth study of its existing value-added services, refined its development strategy, innovated its business ideas and operation model, optimised its organizational structure and staff functions, further explored opportunities for value-added service innovation, built a multi-layered supporting service chain for commercial buildings based on the needs of its customers, and achieved synergetic development of multiple business segments.

## **BUILDING INTERNAL DEVELOPMENT CAPACITIES AND FACILITATING LONG-TERM GROWTH**

In the first half of 2023, the Group continued to enhance its comprehensive capabilities, laying a reliable foundation for its long-term high-quality development. In line with the Group's strategic mission of “focusing on commercial property management and building happy and livable communities”, the Group has placed particular emphasis on the quality of its property services. In recognition of its outstanding service quality and brand image, the Group was honoured the “2023 Top 100 Property Management Companies in China” (ranking 16th), “2023 China Office Property Management Outstanding Companies”, “2023 Outstanding Enterprise in terms of ESG Development in China”, “2023 Top 100 Property Service Companies with High-quality Development and Excellence in China” and “2023 China Leading Property Management Companies in terms of Characteristic Service — Commercial Properties Services”.

In the first half of 2023, the Group focused on improving quality and efficiency, and continued its efforts in technological empowerment. In relation to business operation, the Group optimised the traffic portal of its online platform, adjusted and improved the functions of its customer service, and integrated its property services and value-added services to enhance customers' experience and loyalty, thereby contributing to the growth of its business. In relation to operational management, the Group continued to promote the development of various internal management platforms such as budget management, connected transaction management, contract management and the integration of business data to enhance the efficiency of corporate operations. Meanwhile, the Group promoted the construction of smart operation and maintenance platforms of power distribution room, expanded the scope of application, which further enhanced the safety performance of the system and lowered the operational costs.

## POOLING STRENGTH FOR DEVELOPMENT AND CREATING A BETTER FUTURE

Adhering to the keynote of scale expansion, the Group will concentrate on the market expansion of its dominant industries, further optimise its business layout, approach cooperative parties and seize development opportunities. At the same time, the Group will continue to promote service quality improvement and capacity building, enhance market influence and customer satisfaction, accelerate the construction of a new-generation property service ecosystem, and pool strength for the realisation of its long-term high-quality development.

Last but not least, on behalf of the board of directors of the Company ("**Board**"), I would like to thank all staff who has contributed to the development of the Group, and also the Shareholders and stakeholders for their long-standing support and trust.

**Sun Jie**

*Chairman and General Manager*

Beijing, the PRC, 23 August 2023

## BUSINESS REVIEW

### Overview

As one of the leading comprehensive property management service providers for commercial and business properties in China, the Group focuses on mid- to high-end property management services. The Group has been providing property management services for over 29 years since 1994, and has expanded its property management business across six regions (namely Northern China, Southwestern China, Eastern China, Southern China, Northeastern China and Central China), covering a wide range of properties and providing property owners and residents with tailored quality services through a one-stop service platform to improve the quality and satisfaction of their living and working space.

The Group attaches great importance to the expansion of its business scale and adheres to its expansion strategy. Leveraging on its professional advantages and good brand image in the commercial and public construction sectors, the Group has participated in the market competition in an all-round way, and penetrated into the markets of the first-tier and second-tier cities as well as key regions of the PRC, and has successfully secured a number of management projects from different sectors such as the governmental agencies, military forces, schools, industrial parks and public transportation supporting facilities. As at 30 June 2023, the Group's operations covered 17 provinces, municipalities and autonomous regions, and the GFA under management amounted to approximately 36.12 million sq.m. Approximately 16.98 million sq.m. of GFA under management originated from independent third parties, accounting for 47.0% of the total GFA under management. The number of projects under management was 253 as at 30 June 2023 representing an increase of 29 projects over the same period last year.

The Group continued to strengthen its joint venture cooperation with third parties. Beijing Financial Street Savills Property Management Co., Ltd., a subsidiary of the Group, and its partners, Shandong Zibo Economic Development Zone Zhongcheng Property Management Co., Ltd.\* (淄博經濟開發區眾程物業管理有限公司) and Zibo Wanxue Commercial Operation Co., Ltd.\* (淄博市萬學商業運營有限公司), established Shandong Financial Street Property Co., Ltd.\* (山東金融街物業有限公司). Shandong Financial Street Property Co., Ltd. plans to take over multiple projects in Zibo Economic Development Zone\* (淄博經濟開發區) in Shandong Province, including the start-up area, auto parts industrial park and other industrial parks, and industrial cities, etc. All parties will integrate their respective management and resource strengths to further expand the neighbouring property management market and facilitate the further expansion of the business scale while enhancing the quality of service and operation of projects.

In the first half of 2023, the Group has entered into a share sale and purchase agreement with Ms. Cheng Pui Yi (the “Vendor”), an independent third party, and Top Property Services Company Limited (置佳物業服務有限公司) (the “Target Company”) in respect of the acquisition of the Target Company, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to acquire 70% of the equity interest in the Target Company. Top Property Services Company Limited (置佳物業服務有限公司) is a property services company established in Hong Kong with rich management experience. The acquisition will further enhance the business scale and market competitiveness of the Group. On 26 July 2023, the Company received approval from the competent state-owned assets supervision and management authority for the results of the valuation of the assets of the Target Company and the conditions precedent of the share sale and purchase agreement dated 21 March 2023 in relation to the acquisition of the Target Company have been fulfilled. The parties will complete the acquisition in accordance with the terms of the share sale and purchase agreement.



The key new projects obtained by the Group in the first half of 2023 are summarised as follows:

Atlas Copco Industrial Park. Located in Zibo City, Shandong Province, it is one of the components of the valuable urban development cluster and is a key industrial park segment. Atlas Copco is a global industrial group company headquartered in Stockholm, Sweden.



Fanglande High-tech Zone New Material Industrial Park. Located in Dongying City, Shandong Province, it is a featured park focusing on the petroleum equipment industry and comprising petroleum equipment industrial zone, offshore equipment industrial park, intelligent manufacturing industrial park, innovation incubator and enterprise headquarters zone, on-site service industry cluster zone and reserve area for development.



Sanqiaodong PARK. Located in Jiangbei District, Chongqing City, it is a commercial project with a GFA of approximately 50,000 sq.m., comprising three buildings, covering a wide range of businesses such as catering, retail, entertainment, and modern art space.



National Energy Shenshuo Hotel Project. The project is located in Shenmu City, Yulin, Shaanxi Province, with a service area of approximately 12,800 sq.m. There are 120 guest rooms and a Chinese restaurant inside the hotel, providing customers with a comfortable living environment.



Longli Guanyinshan Forest Town. Located in Longli County, Qiannan Buyei and Miao Autonomous Prefecture, Guizhou Province, it is a complex project comprising tourism, vacation, health care, residence and other functions, with a total GFA of approximately 450,000 sq.m.



Yangcun Middle School. Located in Huizhou City, Guangdong Province, it covers an area of approximately 90,000 sq.m., comprising two teaching buildings, three dormitory buildings, one administrative building and one multi-functional building.



In addition to the above-mentioned projects, the Group has also won bids for projects of government agencies and military barrack, including but not limited to the government office area of Fangshan District, Beijing, the government office area of an autonomous banner under the jurisdiction of Hulunbuir City, and an air force barrack in Beijing. The Group's competitive advantages in the field of government and military logistics services have been further highlighted.

## PROPERTY MANAGEMENT AND RELATED SERVICES

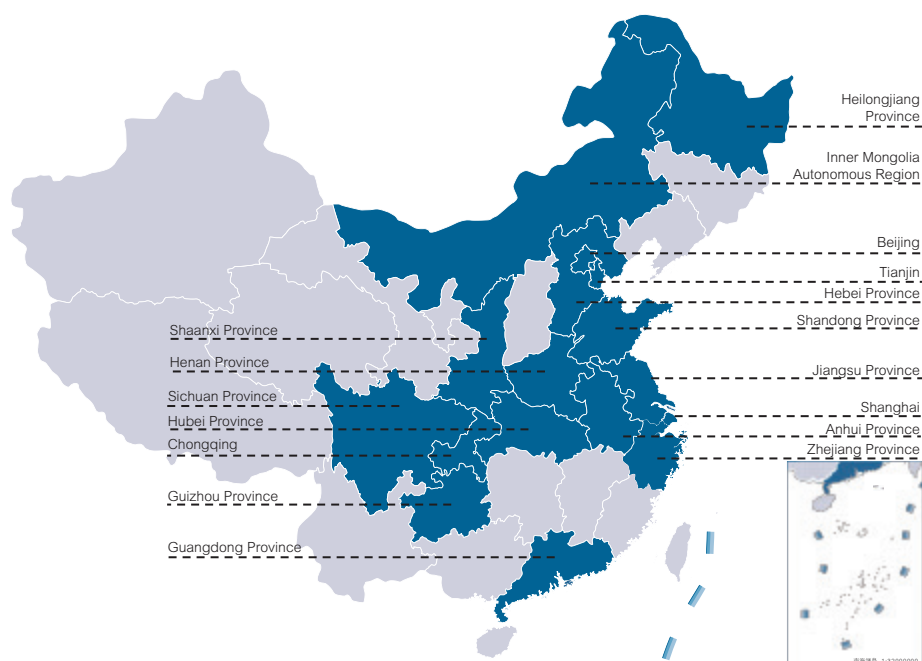
As at 30 June 2023, the Group's property management and related services covered 17 provinces, municipalities and autonomous regions across six regions in China (including Northern China, Southwestern China, Eastern China, Southern China, Northeastern China and Central China), with a total GFA under management of approximately 36.12 million sq.m. and a total of 253 properties under management.

The table below sets forth (i) the contracted GFA; (ii) the GFA under management; and (iii) the number of properties under management, as at the dates indicated:

	<b>As at 30 June 2023</b>	As at 30 June 2022
Contracted GFA ('000 sq.m.)	<b>38,558</b>	37,824
GFA under management ('000 sq.m.)	<b>36,120</b>	34,805
Number of properties under management	<b>253</b>	224

### Geographic Coverage

The following map shows the geographic coverage of the properties under management of the Group as at 30 June 2023:



The table below sets forth the breakdowns of (i) the GFA under management; and (ii) the number of properties under management by regions as at the dates indicated:

	As at 30 June 2023		As at 30 June 2022	
	GFA under management ( <i>'000 sq.m.</i> )	Number of properties under management	GFA under management ( <i>'000 sq.m.</i> )	Number of properties under management
Northern China	16,017	133	16,321	120
Southwestern China	5,293	30	5,901	32
Eastern China	5,905	34	5,425	26
Southern China	4,920	41	3,898	33
Northeastern China	1,214	7	658	5
Central China	2,771	8	2,602	8
<b>Total</b>	<b>36,120</b>	<b>253</b>	<b>34,805</b>	<b>224</b>

*Notes:*

- (i) Northern China includes Beijing, Tianjin, Hebei Province, Inner Mongolia Autonomous Region and Shaanxi Province
- (ii) Southwestern China includes Chongqing, Sichuan Province, and Guizhou Province
- (iii) Eastern China includes Shanghai, Jiangsu Province, Zhejiang Province, Shandong Province and Anhui Province
- (iv) Southern China includes Guangdong Province
- (v) Northeastern China includes Heilongjiang Province
- (vi) Central China includes Hubei Province and Henan Province

### Types of Properties under Management

The Group managed a diversified portfolio of properties covering commercial and business properties, including office buildings, complexes, retail buildings and hotels; and non-commercial properties, including residential properties, public properties, hospitals, educational properties and others. Regarding the property management services, the Group employs the lump-sum basis and commission basis as the two revenue models under which property management fees are charged. On a lump-sum basis, the Group records all the fees as revenue and all the expenses incurred in connection with providing the property management services as cost of services. On a commission basis, the Group essentially acts as the agent of the property owners and therefore records only a pre-determined percentage of the property management fees or cost of services as set out in the property management service contracts as revenue. By adopting these two revenue models, the Group is able to cover the expenses incurred in connection with providing property management services.

The table below sets forth the breakdowns of (i) the GFA under management; and (ii) the number of properties under management by type of properties as at the dates indicated:

	As at 30 June 2023			As at 30 June 2022		
	GFA under management ('000 sq.m.)	Percentage (%)	Number of properties under management	GFA under management ('000 sq.m.)	Percentage (%)	Number of properties under management
Retail buildings and hotels	368	1.0	4	265	0.8	2
Office buildings	7,578	21.0	67	7,023	20.2	60
Complexes	1,200	3.3	5	1,200	3.4	5
Residential properties	14,502	40.1	80	13,457	38.7	72
Public properties, hospitals, educational properties and others	12,472	34.5	97	12,860	36.9	85
<b>Total</b>	<b>36,120</b>	<b>100</b>	<b>253</b>	<b>34,805</b>	<b>100</b>	<b>224</b>

Note: Any discrepancies in the table between totals and sums of amounts listed therein are due to rounding.

The table below sets forth the breakdowns of the GFA under management by revenue models as at the dates indicated:

	As at 30 June 2023		As at 30 June 2022	
	GFA under management ('000 sq.m.)	Percentage (%)	GFA under management ('000 sq.m.)	Percentage (%)
Property management services (lump-sum basis)	32,493	90.0	31,331	90.0
Property management services (commission basis)	3,627	10.0	3,474	10.0
<b>Total</b>	<b>36,120</b>	<b>100</b>	<b>34,805</b>	<b>100</b>

It is important to note that on a commission basis, the Group recorded only a pre-determined percentage of the property management fees, as set out in the property management service contracts as revenue, while all the property management fees are recorded as revenue on a lump-sum basis.

### Nature of the Property Developers Served

The properties under the Group's management include properties developed by Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司) and its joint ventures and associates (the "Financial Street Affiliate Group") and properties developed by independent third parties. As at 30 June 2023, the Group managed the properties developed by Financial Street Affiliates Group encompassing an approximate GFA of 19.14 million sq.m., with the number of projects increased from 121 as at 30 June 2022 to 132, representing a steady period-on-period increase. Meanwhile, as at 30 June 2023, the Group managed properties developed by independent third parties encompassing an approximate GFA of 16.98 million sq.m., and the number of projects also further increased to 121 from 103 as at 30 June 2022.

The table below sets forth the breakdowns of (i) the GFA under management; and (ii) the number of properties under management of the Group by property developers as at the dates indicated:

	As at 30 June 2023			As at 30 June 2022		
	GFA under management ('000 sq.m.)	Percentage (%)	Number of properties under management	GFA under management ('000 sq.m.)	Percentage (%)	Number of properties under management
Properties developed by Financial Street Affiliates Group	19,141	53.0	132	18,189	52.3	121
Properties developed by independent third parties	16,979	47.0	121	16,616	47.7	103
<b>Total</b>	<b>36,120</b>	<b>100</b>	<b>253</b>	<b>34,805</b>	<b>100</b>	<b>224</b>

### Value-added Services

The value-added business of the Group mainly comprises six segments, namely operating businesses, consultancy services, asset operation, resources management, customised services and other income. For the six months ended 30 June 2023, our revenue from value-added services amounted to approximately RMB137.74 million, accounting for approximately 19.34% of revenue for the six months ended 30 June 2023, representing an increase of approximately 8.89% as compared with the revenue of approximately RMB126.50 million for the six months ended 30 June 2022.

### Future Prospects

The Group will adhere to its strategy of scale expansion, rely on its practical experience in high-end commercial property services, brand influence and core competitiveness, further expand its market expansion capacity, continuously extend the scope of management, deliver high-quality services to support corporate development, enhance market and customer recognition, accelerate the improvement of special value-added service system, actively grasp the opportunities of synergistic development of resources and industries among various business segments, and promote the sustainable and stable development of the Group.

## FINANCIAL REVIEW

### Revenue

The Group's revenue was mainly derived from: (i) property management and related services; and (ii) catering services. Revenue increased by approximately 6.39% from approximately RMB669.55 million for the six months ended 30 June 2022 to approximately RMB712.36 million for the six months ended 30 June 2023.

The following table sets forth the breakdown of revenue by our services provided for the periods indicated:

	2023		Six months ended 30 June 2022		Changes	
	RMB'000	Proportion	RMB'000	Proportion	RMB'000	Rate of change
<b>Property management and related services:</b>						
Property management services	532,335	74.72%	511,344	76.38%	20,991	4.11%
Value-added services	137,744	19.34%	126,504	18.89%	11,240	8.89%
Rental services	5,184	0.73%	3,632	0.54%	1,552	42.73%
<b>Catering services</b>	<b>37,095</b>	<b>5.21%</b>	28,072	4.19%	9,023	32.14%
<b>Total</b>	<b>712,358</b>	<b>100%</b>	669,552	100%	42,806	6.39%

- Revenue generated from our property management and related services mainly includes: (i) customer services; (ii) security services; (iii) cleaning and gardening services; (iv) engineering, repair and maintenance services; (v) carpark management services; and (vi) other related services, which increased from approximately RMB641.48 million for the six months ended 30 June 2022 to approximately RMB675.26 million for the six months ended 30 June 2023, representing an increase of approximately 5.27%. Benefited from the increase in number of projects under management, there has been a growth in the revenue from both property management and related services.
- Revenue generated from our catering services: our revenue from catering services increased from approximately RMB28.07 million for the six months ended 30 June 2022 to approximately RMB37.10 million for the six months ended 30 June 2023, benefited from the increase in customer flow of the restaurants of the Group.



### Cost of Sales and Services

The Group's cost of sales and services mainly consists of (i) subcontracting costs; (ii) employee welfare expenses; (iii) utilities; (iv) raw materials and components used in property management and related services; (v) cost of raw materials and consumables for catering services; and (vi) other expenses. The Group's cost of sales and services increased by 8.70% from RMB539.00 million for the six months ended 30 June 2022 to RMB585.87 million for the six months ended 30 June 2023. There was an increase in maintenance costs for the improvement of service quality, and the cost rate increased due to the influence of the market environment.

### Gross Profit and Gross Profit Margin

The overall gross profit of the Group decreased by approximately 3.12% from approximately RMB130.56 million for the six months ended 30 June 2022 to approximately RMB126.49 million for the six months ended 30 June 2023. The overall gross profit margin of the Group for the six months ended 30 June 2023 was approximately 17.76%, representing a decrease as compared to the overall gross profit margin of 19.50% for the six months ended 30 June 2022. Revenue continued to rise, but gross profit margin declined due to increase in cost. The table below sets forth the Group's gross profit and gross profit margin by type of service for the periods indicated:

	2023		Six months ended 30 June			
	Gross Profit RMB'000	Gross Profit Margin (%)	2022		Changes	
			Gross Profit RMB'000	Gross Profit Margin (%)	Amount RMB'000	Gross Profit Margin (%)
<b>Property management and related services:</b>						
Commercial and business properties	96,663	23.83	114,393	28.11	(17,730)	(4.28)
Non-commercial properties	34,161	12.67	27,358	11.66	6,803	1.01
<b>Catering services</b>	<b>(4,336)</b>	<b>(11.69)</b>	(11,194)	(39.88)	6,858	28.19
<b>Total</b>	<b>126,488</b>	<b>17.76</b>	130,557	19.50	(4,069)	(1.74)

### Administrative Expenses

Administrative expenses of the Group decreased by approximately 12.99% from approximately RMB34.79 million for the six months ended 30 June 2022 to approximately RMB30.27 million for the six months ended 30 June 2023, benefited from effective control on management expenses.

### Income Tax Expense

Income tax expense of the Group decreased from approximately RMB32.35 million for the six months ended 30 June 2022 to approximately RMB27.24 million for the six months ended 30 June 2023.

### Profit for the Reporting Period

Profit of the Group increased by approximately 12.96% from approximately RMB69.46 million for the six months ended 30 June 2022 to approximately RMB78.46 million for the six months ended 30 June 2023, primarily attributable to expenses control.

### Total Comprehensive Income for the Reporting Period

Total comprehensive income of the Group increased from approximately RMB69.46 million for the six months ended 30 June 2022 to approximately RMB78.35 million for the six months ended 30 June 2023, representing an increase of approximately 12.80%, which was mainly due to the increase in net profit margin.

### Liquidity, Capital Structure and Financial Resources

As at 30 June 2023, the Group's cash and bank balances were approximately RMB1,518.30 million, representing a decrease of approximately RMB26.72 million from approximately RMB1,545.02 million as at 31 December 2022.

The Group's financial situation remains stable. The net current assets of the Group were approximately RMB1,116.45 million as at 30 June 2023, as compared to approximately RMB1,103.20 million as at 31 December 2022, representing an increase of 1.20%. The increase in the net current assets of the Group was mainly due to the replenishment of current assets with the expansion of the Group's operation. As at 30 June 2023, the Group's current ratio (current assets/current liabilities) was approximately 2.48 (as at 31 December 2022: approximately 2.52).

As at 30 June 2023, the Group did not have any borrowings (as at 31 December 2022: nil).

### Trade Receivables and Other Financial Assets At Amortised Cost

Trade receivables mainly arise from property management and related services. Trade receivables of the Group increased by 24.16% from approximately RMB242.60 million as at 31 December 2022 to approximately RMB301.21 million as at 30 June 2023, primarily due to (i) the increase in trade receivables from property management services as a result of the increase in the total GFA under management; and (ii) trade receivables being within the credit period.

Other financial assets at amortised cost mainly include finance lease receivables, loan and interest receivable from an associate, payments and deposits paid on behalf of owners, tenants and property developers. Total other financial assets at amortised cost of the Group increased by approximately RMB1.67 million from approximately RMB57.68 million as at 31 December 2022 to approximately RMB59.35 million as at 30 June 2023, primarily due to (i) the increase in payment on behalf of property owners, tenants and property developers from the operation of property management and relevant services as a result of the increase in the total GFA under management; and (ii) receivables being within the credit period.

### Trade and Other Payables

Trade payables mainly represent amount payable to suppliers and subcontractors, including for purchase of materials. As at 30 June 2023, our balance of trade payables amounted to approximately RMB159.02 million, representing a decrease of approximately 10.79% as compared with approximately RMB178.25 million as at 31 December 2022, which was mainly due to payment of the due amount in relation to the cost of security guards, cleaning, engineering and materials supply pursuant to the terms of the contracts in the ordinary course of business.

Payroll and welfare payables mainly refer to salary and insurance. As at 30 June 2023, the payroll and welfare payables of the Group were approximately RMB70.22 million, representing an increase of 2.05% as compared with approximately RMB68.81 million as at 31 December 2022, mainly due to the bonus accrued during the Reporting Period.

Other payables mainly include payments and deposits collected on behalf of owners, tenants and property developers. Other payables decreased by approximately 2.76% from approximately RMB296.82 million as at 31 December 2022 to approximately RMB288.64 million as at 30 June 2023, primarily due to the payment of expenses with different settlement period involved.

### Use of Proceeds from the Listing

The H Shares of Company was listed on the Stock Exchange on 6 July 2020 (the “**Listing Date**”) and issued 90,000,000 H Shares, and subsequently issued 13,500,000 H Shares on 29 July 2020 as a result of the full exercise of the over-allotment option (the “**Global Offering**”). After deducting the underwriting fees and relevant expenses, net proceeds from the listing (the “**Net Proceeds**”) amounted to approximately HKD710.48 million (equivalent to approximately RMB648.36 million). The unutilised Net Proceeds have been placed as interest-bearing deposits with licensed banks in Mainland China and Hong Kong. As at 30 June 2023, such Net Proceeds will continue to be utilised in accordance with the allocation method proposed in the prospectus of the Company dated 19 June 2020 (the “**Prospectus**”).

The analysis on the utilisation of the Net Proceeds from the Listing Date to 30 June 2023 is as follows:

	Planned use of the Net Proceeds stated in the Prospectus and the use of additional Net Proceeds after taking into account the full exercise of the over-allotment option on 29 July 2020		Utilised			Expected timeline of full utilisation of the remaining balance
			Actual use of Net Proceeds up to 30 June 2023	Net Proceeds during the Reporting Period	Unutilised Net Proceeds as at 30 June 2023	
	% of total amount	RMB million	RMB million	RMB million	RMB million	
Pursuing strategic acquisitions and investment opportunities and establishing new branches and subsidiaries to expand the Group's business scale	60%	389.02	14.49	0.58	374.53	on or before 31 December 2023
Developing the Group's value-added services business	20%	129.66	35.03	0.46	94.63	on or before 31 December 2023
Establishing and upgrading IT and intelligent facilities systems	10%	64.84	6.51	0.69	58.33	on or before 31 December 2023
The Group's working capital and general corporate purposes	10%	64.84	—	—	64.84	on or before 31 December 2023
<b>Total</b>	<b>100%</b>	<b>648.36</b>	<b>56.03</b>	<b>1.73</b>	<b>592.33</b>	

*Note:* The expected timeline for utilising the remaining Net Proceeds is based on the best estimation made by the Group. It will be subject to change based on the current and future development of the market conditions.

For the detailed breakdown and description of the use of proceeds, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus. During the Reporting Period, the Group had utilised Net Proceeds of approximately RMB1.73 million from the Global Offering. As at the date of this report, the Directors were not aware of any material change to the planned use of the Net Proceeds. Save as the delays in use of Net Proceeds caused by changes in market conditions, the unutilised Net Proceeds will be applied in a manner consistent with that mentioned in the Prospectus.

### Pledge of Assets

As at 30 June 2023, none of the assets of the Group were pledged (as at 31 December 2022: nil).

### Material Acquisitions and Disposals of Assets

On 21 March 2023, the Company entered into a share sale and purchase agreement with Ms. Cheng Pui Yi (the “**Vendor**”), a director of the Target Company and an independent third party of the Company, and the Target Company, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to acquire (the “**Acquisition**”), 70% of the equity interests of the Target Company for a maximum total consideration of HKD154 million, subject to the terms and conditions as set out in the share sale and purchase agreement.

On 26 July 2023, the Company received approval from the competent state-owned assets supervision and management authority for the results of the valuation of the assets of the Target Company and the conditions precedent of the share sale and purchase agreement dated 21 March 2023 in relation to the acquisition of the Target Company have been fulfilled. The parties would complete the Acquisition in accordance with the terms of the share sale and purchase agreement.

Upon completion of the Acquisition, the Target Company will become a direct subsidiary of the Company and its financial information will be consolidated into the financial statements of the Group. For details of the Acquisition, please refer to the announcements dated 21 March 2023, 4 May 2023, 4 July 2023 and 26 July 2023 of the Company.

Save as disclosed in this report, for the six months ended 30 June 2023, the Group did not have any material acquisitions or disposals of assets (for the six months ended 30 June 2022: nil).

### Significant Investment Held, Disposals and Future Plans for Material Investment and Capital Assets

For the six months ended 30 June 2023, the Group did not have any plan for significant investment, disposals or addition of capital assets.

### Liabilities to Assets Ratio

Liabilities to assets ratio is calculated based on our total liabilities as at the end of the Reporting Period divided by our total assets as at the end of such period. As at 30 June 2023, our liabilities to assets ratio was 0.40. As at 31 December 2022, our liabilities to assets ratio was 0.39. Gearing ratio is calculated by dividing the total amount of loan as at the corresponding date by the total amount of equity as at the same date. As at 30 June 2023 and 31 December 2022, the Group had no interest-bearing loan, therefore the gearing ratio does not apply.

### Contingent Liabilities

As at 30 June 2023, the Group did not have any contingent liabilities (as at 31 December 2022: nil).

### Financial Policy

The Group has adopted prudent financial management policies and maintained a healthy liquidity position throughout the year. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

### Foreign Exchange Risk

The Group's businesses are principally denominated/settled in RMB, which is the functional currency of the Group. The Group is not exposed to significant foreign exchange risk, and only a small amount of bank deposits and payables are denominated in Hong Kong dollars or US dollars. The Group will continue to monitor its foreign exchange exposure and take prudent measures to avoid exchange losses.

### Employees and Welfare Policies

As at 30 June 2023, the Group had 4,504 employees (as at 31 December 2022: 4,584 employees). Employee remuneration is determined based on employee performance, skills, knowledge, experience and market trends. The Group regularly reviews compensation policies and programs, and will make necessary adjustments in order to be in line with remuneration levels within industry norms. In addition to basic salaries, employees may be granted discretionary bonus based on individual performance. The remunerations of the Directors are determined based on a variety of factors such as market conditions and responsibilities assumed by each Director. The Group offers training to its employees so as to enable the new joiners to acquire basic skills to perform their duties and to upgrade or improve their productivity.

## OTHER INFORMATION

### SIGNIFICANT EVENTS

#### **Change of composition of the Board**

Mr. Shen Mingsong (“**Mr. Shen**”) tendered his resignation as a non-executive Director and a member of the Remuneration Committee of the Board of the Company due to change of his work arrangement. Mr. Shen’s resignation became effective upon election of a new non-executive Director at the annual general meeting held on 8 June 2023 (the “**AGM**”). Resolution in relation to the appointment of Ms. Hu Yuxia (“**Ms. Hu**”) as a new Director was duly passed at the AGM. Following the conclusion of the AGM, Mr. Shen ceased to serve as a Director. Ms. Hu has duly become a non-executive Director and a member of the Remuneration Committee of the Board after the AGM.

For further details, please refer to the announcements dated 18 April 2023 and 8 June 2023 and the circular dated 26 April 2023 of the Company.

#### **Amendments to the Articles of Association**

Resolution on the amendments to the Articles of Association was approved by the Shareholders at the AGM on 8 June 2023. For details of the amendments to the Articles of Association, please refer to the announcements dated 23 March 2023 and 8 June 2023 and the circular dated 26 April 2023 of the Company.

#### **Events after the Reporting Period**

Save as disclosed in the paragraphs headed “Business Review — Overview” and “Financial Review — Material Acquisitions and Disposals of Assets” in relation to the approval of the valuation of the assets of the Target Company by the competent state-owned assets supervision and management authority and fulfillment of the conditions precedent of the share sale and purchase agreement of the Acquisition in this report, no other significant events of the Group occurred after the Reporting Period.

### Purchase, Sale or Redemption of Listed Securities or Redeemable Securities of the Company

Neither the Company nor its subsidiary purchased, sold or redeemed any of the Company's listed securities at any time during the six months ended 30 June 2023.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to achieving high standards of corporate governance to address the needs of the Group's stakeholders, including Shareholders, investors, customers, suppliers, employees and the community, so as to build up their confidence in the Group and support the Group's sustainable development. Maintaining high standards of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value. Corporate culture is critical to the achievement of the Company's mission and the Board has been committed to reviewing and enhancing its risk management and internal controls and procedures in light of the changes in regulations and development of best practices in order to maintain and ensure that the Company's goals, values and strategies are aligned with the corporate culture.

During the Reporting Period, the Company has complied with the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 of the Listing Rules, except for code provision C.2.1 described below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman of the board of directors and the general manager should not be performed by the same individual. During the Reporting Period, the roles of the chairman of the Board (the "**Chairman**") and general manager of the Company are performed by Mr. Sun Jie. Taking into account Mr. Sun Jie's strong expertise and insight into the property management industry, the Board considered that the roles of Chairman and general manager being performed by Mr. Sun Jie enables more effective and efficient overall business planning, decision making and implementation thereof by the Group. In order to maintain good corporate governance and fully comply with the code provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of Chairman and general manager separately.



## COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct and rules governing dealings by all the Directors and supervisors (the “**Supervisors**”) of the Company in the securities of the Company. Having made specific enquiries to all Directors and Supervisors, they have confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

Pursuant to the Company’s requirements, the relevant management personnel and employees of the Company are also subject to the Model Code, which prohibits them from dealing in the Company’s securities whenever they possess inside information related to the securities of the Company. The Company was not aware of any incidents of non-compliance with the Model Code by the relevant personnel and employees of the Company during the Reporting Period.

## CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Chen Xi (“**Mr. Chen**”) is one of the joint company secretaries of the Company. As Mr. Chen did not possess the qualification stipulated under Rules 3.28 and 8.17 of the Listing Rules at the time of the listing of the Company, the Company had applied to the Stock Exchange prior to the listing and was granted by the Stock Exchange a waiver from strict compliance with these Listing Rules. As confirmed by the Stock Exchange in July 2023, Mr. Chen is qualified to act as the company secretary of the Company under Rules 3.28 and 8.17 of the Listing Rules upon expiry of the waiver period. Mr. Chen will continue to act as the joint company secretary of the Company together with Ms. Ho Wing Nga.

Changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

1. Mr. Sun Jie, an executive Director, Chairman and general manager of the Company, ceased to be the vice chairman of Huai’an Guolian Financial Centre Property Service Co., Ltd. (淮安市國聯金融中心物業服務有限公司), an associate company of the Group, with effect from 26 June 2023.
2. Ms. Lu Qing, an independent non-executive Director of the Company, has served as an executive director of Longma International Trust Limited since April 2023.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2023, the 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 Securities and Futures Ordinance (Chapter 571 of the laws of the Hong Kong Special Administrative Region) (the “SFO”)) of the Directors, Supervisors and senior management of the Company which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

### Directors’, Supervisors’ and Chief Executives’ Interests in Associated Corporations of the Company

Save as disclosed below, as at 30 June 2023, the Company had not been notified by any entities/persons (other than the Directors, Supervisors and chief executive) who had interests or short positions in the shares or underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under the provisions of Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed below, during the six months ended 30 June 2023, none of the Directors, Supervisors and chief executives (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

Name of Director	Name of associated corporation	Capacity	Number of shares held/interested	Percentage of interest in associated corporation as at 30 June 2023
Li Liang	Financial Street Holdings Co., Ltd.	Beneficial owner	27,000(L)	0.00 <sup>(Note 1)</sup>

#### Notes:

- The letter “L” denotes the person’s long position in the shares.
- The approximate percentage of interests in the issued share capital of Financial Street Holdings Co., Ltd. is based on a total of 2,988,929,907 issued shares of Financial Street Holdings Co., Ltd. as at 30 June 2023.

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2023, so far as is known to the Directors of the Company, the following persons (other than the Directors, chief executive and Supervisors of the Company) have an interest or short position in the shares of the Company or underlying shares which will be required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and as recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO:

Name of Shareholders	Class of shares	Capacity	Number of Shares/ Underlying Shares Held ( <i>shares</i> ) <sup>(Note 1)</sup>	Percentage of Relevant Class of Shares (%) <sup>(Note 2)</sup>	Percentage of Total Shares (%) <sup>(Note 3)</sup>
Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司)	Domestic Shares	Beneficial owner	128,299,270(L)	47.52	34.35
Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司) <sup>(Note 4)</sup>	Domestic Shares	Interest of controlled corporation	128,299,270(L)	47.52	34.35
Beijing Financial Street Capital Operation Group Co., Ltd. (北京金融街資本運營集團有限公司) <sup>(Note 4)</sup>	Domestic Shares	Interest of controlled corporation	128,299,270(L)	47.52	34.35
Beijing Tiantai Real Estate Co., Ltd. (北京天泰置業有限公司)	Domestic Shares	Beneficial owner	79,620,438(L)	29.49	21.32
China Life Real Estate Investment Management Company Limited (國壽不動產投資管理有限公司) <sup>(Note 5)</sup>	Domestic Shares	Interest of controlled corporation	79,620,438(L)	29.49	21.32
China Life Investment Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司) <sup>(Note 5)</sup>	Domestic Shares	Interest of controlled corporation	79,620,438(L)	29.49	21.32
China Life Insurance (Group) Company (中國人壽保險(集團)公司) <sup>(Note 5)</sup>	Domestic Shares	Interest of controlled corporation	79,620,438(L)	29.49	21.32
Beijing Rongxin Hetai Enterprise Management Co., Ltd. (北京融信合泰企業管理股份有限公司)	Domestic Shares	Beneficial owner	62,080,292(L)	22.99	16.62
Find Jade Limited	H Shares	Beneficial owner	5,243,000(L)	5.07	1.40
Kowloon Development Company Limited <sup>(Note 6)</sup>	H Shares	Interest of controlled corporation	5,243,000(L)	5.07	1.40

Name of Shareholders	Class of shares	Capacity	Number of Shares/ Underlying Shares Held ( <i>shares</i> ) <sup>(Note 1)</sup>	Percentage of Relevant Class of Shares (%) <sup>(Note 2)</sup>	Percentage of Total Shares (%) <sup>(Note 3)</sup>
Intellinsight Holdings Limited <sup>(Note 6)</sup>	H Shares	Interest of controlled corporation	5,243,000(L)	5.07	1.40
New Explorer Developments Limited <sup>(Note 6)</sup>	H Shares	Interest of controlled corporation	5,243,000(L)	5.07	1.40
Or Wai Sheun <sup>(Note 6)</sup>	H Shares	Interest of controlled corporation	5,243,000(L)	5.07	1.40
UBS Asset Management (Hong Kong) Ltd <sup>(Note 7)</sup>	H Shares	Investment manager	6,292,000(L)	6.08	1.68
UBS Group AG <sup>(Note 8)</sup>	H Shares	Interest of controlled corporation	17,451,999(L) 7,773,000(S)	16.86(L) 7.51(S)	4.67(L) 2.08(S)
Barings LLC <sup>(Note 9)</sup>	H Shares	Investment manager	6,972,000(L)	6.73	1.87
Northern Trust Fiduciary Services (Ireland) Limited <sup>(Note 10)</sup>	H Shares	Trustee	6,705,000(L)	6.47	1.80
FIL Limited <sup>(Note 11)</sup>	H Shares	Interest of controlled corporation	10,350,000(L)	10.00	2.77
Pandanus Associates Inc. <sup>(Note 11)</sup>	H Shares	Interest of controlled corporation	10,350,000(L)	10.00	2.77
Pandanus Partners L.P. <sup>(Note 11)</sup>	H Shares	Interest of controlled corporation	10,350,000(L)	10.00	2.77
FIDELITY FUNDS <sup>(Note 12)</sup>	H Shares	Beneficial owner	5,532,000(L)	5.34	1.48

Notes:

1. The letter "L" denotes the person's long position in the shares, and the letter "S" denotes the person's short position in the shares.
2. The calculation is based on 270,000,000 domestic shares or 103,500,000 H shares issued by the Company as at 30 June 2023.
3. The calculation is based on the total number of 373,500,000 shares issued by the Company as at 30 June 2023.

4. Beijing Huarong Zonghe Investment Co., Ltd. ("**Huarong Zonghe**") is the direct shareholder.
- (a) The entire equity interest in Huarong Zonghe is held by Beijing Financial Street Investment (Group) Co., Ltd. ("**Financial Street Group**"), which is in turn held as to 37.94% by SASAC Xicheng District and 62.06% by Beijing Financial Street Capital Group Co., Ltd. (formerly known as Beijing Financial Street Capital Operation Centre) ("**Financial Street Capital**"), which is wholly-owned by SASAC Xicheng District.

(Note: On 29 December 2020, Financial Street Group received the Xicaiqi [2020] No. 507 Notice on the Transfer of Certain State-owned Equity Interests in Beijing Financial Street Investment (Group) Co., Ltd. between Beijing Municipal Bureau of Finance, Beijing Xicheng District Human Resources and Social Security Bureau and the State-owned Assets Supervision and Administration Commission of Xicheng District People's Government of Beijing Xicheng District, which was forwarded by SASAC Xicheng District, and required to transfer part of the 10% equity interests in Financial Street Group held by SASAC Xicheng District to Beijing Municipal Bureau of Finance at nil consideration, with the transfer benchmark date being 31 December 2019, and complete the equity transfer procedures such as the change of state-owned property rights registration before 30 December 2020. In accordance with the requirements of the Notice, Financial Street Group has completed the registration procedures for the change of state-owned property rights on 30 December 2020. However, as at the date of this report and to the best of the Company's knowledge, information and belief, having made all reasonable enquiries, the general meeting of Financial Street Group has not yet issued a resolution and has not yet completed the procedures for the change of industrial and commercial registration.)

- (b) By virtue of the SFO, Financial Street Group and Finance Street Capital are each deemed to be interested in the Shares held by Huarong Zonghe.

5. Beijing Tiantai Real Estate Co., Ltd. ("**Tiantai Real Estate**") is the direct shareholder.
- (a) 100% of the equity interests in Tiantai Real Estate is held by China Life Real Estate Investment Management Company Limited ("**China Life Real Estate**"), which is in turn wholly-owned by China Life Investment Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司), which is wholly-owned by China Life Insurance (Group) Company (中國人壽保險(集團)公司), which is wholly-owned by the Ministry of Finance of the PRC.
- (b) By virtue of the SFO, China Life Real Estate, China Life Investment Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司) and China Life Insurance (Group) Company (中國人壽保險(集團)公司) are each deemed to be interested in the shares held by Tiantai Real Estate.
6. Find Jade Limited is wholly-owned by Kowloon Development Company Limited; Intellinsight Holdings Limited holds 70.63% equity of Kowloon Development Company Limited; Intellinsight Holdings Limited is wholly-owned by New Explorer Developments Limited; and New Explorer Developments Limited is wholly-owned by Or Wai Sheun. Therefore, each of Or Wai Sheun, New Explorer Developments Limited, Intellinsight Holdings Limited and Kowloon Development Company Limited is deemed to have an interest in the shares held by Find Jade Limited pursuant to the SFO.
7. In the capacity of investment adviser of Nineteen77 Global Multi-Strategy Alpha Master Limited and on behalf of Nineteen77 Global Multi-Strategy Alpha Master Limited.

8. Based on the disclosure of interests form submitted by UBS Group AG on 26 April 2023 (the date of the relevant event set out in the form was 21 April 2023), these shares comprised (i) 8,568,000 shares (long position) held through UBS O'Connor LLC; (ii) 7,773,000 shares (long position) and 7,773,000 shares (short position) held through UBS AG; and (iii) 1,110,999 shares (long position) held through UBS Switzerland AG.
9. Based on the disclosure of interests form submitted by Barings LLC. on 15 September 2021 (the date of the relevant event set out in the form was 13 September 2021), these Shares were held in the capacity of investment manager through Baring Asset Management (Asia) Holdings Limited.
10. Northern Trust Fiduciary Services (Ireland) Limited is the trustee of Barings Hong Kong China Fund's trust.
11. Based on the disclosure of interests form submitted on 4 March 2022 (the date of the relevant event set out in the form was 1 March 2022), these shares were held via FIL Investment Management (Singapore) Limited. The 10,350,000 H shares (long position) held by FIL Limited, Pandanus Associates Inc. and Pandanus Partners L.P. were held in the capacity as interests of controlled corporations.
12. Based on the disclosure of interests form submitted by FIDELITY FUNDS on 1 March 2022 (the date of the relevant event set out in the form was 24 February 2022), FIDELITY FUNDS is the beneficial owner of these Shares.

Save as disclosed above, as at 30 June 2023, the Company is not aware that any other person has any interests or short positions in the shares and underlying shares, which is required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which is required to be entered in the register maintained by the Company under section 336 of the SFO.

## AUDIT COMMITTEE

The Company has established the audit committee ("**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three members, namely Ms. Tong Yan (independent non-executive Director), Ms. Zhao Lu (non-executive Director) and Mr. Song Baocheng (independent non-executive Director). The chairman of the Audit Committee is Ms. Tong Yan. The Audit Committee has reviewed the unaudited interim results and interim report for the six months ended 30 June 2023. Grant Thornton Hong Kong Limited, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## INTERIM DIVIDEND

The Board has not recommended the payment of any interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: nil).



To the board of directors of Financial Street Property Co., Limited  
(incorporated in the People's Republic of China with limited liability)

### INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of Financial Street Property Co., Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages 32 to 58, which comprise the condensed consolidated statement of financial position as at 30 June 2023, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated interim financial statements consists of making inquiry, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

### **Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong SAR

23 August 2023

### **Chiu Wing Ning**

Practising Certificate No.: P04920



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Notes	For the six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Revenue</b>	6	<b>712,358</b>	669,552
Cost of sales and services		<b>(585,870)</b>	(538,995)
<b>Gross profit</b>		<b>126,488</b>	130,557
Other income	7	<b>3,098</b>	6,350
Other gain/(loss), net	8	<b>568</b>	(27,677)
Administrative expenses		<b>(30,269)</b>	(34,785)
Provision for expected credit loss (“ECL”) allowance of trade receivables and other financial assets at amortised cost		<b>(3,270)</b>	(5,661)
<b>Operating profit</b>		<b>96,615</b>	68,784
Finance income	9	<b>11,193</b>	6,269
Finance costs	9	<b>(1,696)</b>	(1,344)
Finance income, net	9	<b>9,497</b>	4,925
Exchange gains, net		<b>15</b>	28,079
Share of (loss)/profit from interests in associates, net	15	<b>(361)</b>	15
Share of loss from interests in joint ventures, net	16	<b>(69)</b>	—
<b>Profit before income tax</b>	10	<b>105,697</b>	101,803
Income tax expense	11	<b>(27,240)</b>	(32,348)
<b>Profit for the period</b>		<b>78,457</b>	69,455

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

*For the six months ended 30 June 2023*

For the six months ended 30 June			
2023			
2022			
Note	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>71,113</b>	61,949
Non-controlling interests (“ <b>NCI</b> ”)		<b>7,344</b>	7,506
		<b>78,457</b>	69,455
<hr/>			
<b>Earnings per share, basic and diluted (RMB)</b>	13	<b>0.190</b>	0.166
<hr/>			
<b>Other comprehensive (loss)/income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of retirement benefit obligations		<b>(111)</b>	1
<hr/>		<b>(111)</b>	1
<b>Other comprehensive (loss)/income for the period, net of tax</b>			
		<b>(111)</b>	1
<hr/>			
<b>Total comprehensive income for the period</b>		<b>78,346</b>	69,456
<hr/>			
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		<b>71,002</b>	61,950
NCI		<b>7,344</b>	7,506
<hr/>		<b>78,346</b>	69,456
<hr/>			

The notes on pages 38 to 58 are an integral part of these condensed interim consolidated financial statements.

# Condensed Consolidated Statement of Financial Position

As at 30 June 2023

		As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	14	17,003	19,437
Property, plant and equipment	14	63,279	78,935
Interests in associates	15	15,316	15,677
Interests in joint ventures	16	2,481	2,550
Goodwill		325	325
Intangible assets		7,076	7,968
Prepayments		1,144	634
Other financial assets at amortised cost	18	25,360	27,961
Deferred tax assets		21,182	17,092
<b>Total non-current assets</b>		<b>153,166</b>	170,579
<b>Current assets</b>			
Trade receivables	17	301,213	242,597
Prepayments		18,542	13,423
Other financial assets at amortised cost	18	33,987	29,721
Bank deposits with the maturity over three months		65,730	37,201
Restricted bank deposits		79,766	63,878
Cash and cash equivalents		1,372,799	1,443,945
<b>Total current assets</b>		<b>1,872,037</b>	1,830,765
<b>Total assets</b>		<b>2,025,203</b>	2,001,344
<b>EQUITY AND LIABILITIES</b>			
Share capital	19	373,500	373,500
Reserves	20	592,903	593,014
Retained earnings		223,635	213,403
Equity attributable to owners of the Company		1,190,038	1,179,917
NCI		34,968	37,145
<b>Total equity</b>		<b>1,225,006</b>	1,217,062

## Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2023

		As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
	<i>Note</i>		
<b>Non-current liabilities</b>			
Lease liabilities		39,265	51,331
Deferred tax liabilities		317	361
Retirement benefit obligations		5,025	5,005
<b>Total non-current liabilities</b>		<b>44,607</b>	56,697
<b>Current liabilities</b>			
Trade and other payables	21	586,649	551,031
Contract liabilities		124,978	111,720
Current tax liabilities		18,070	36,017
Current portion of lease liabilities		25,551	28,475
Current portion of retirement benefit obligations		342	342
<b>Total current liabilities</b>		<b>755,590</b>	727,585
<b>Total liabilities</b>		<b>800,197</b>	784,282
<b>Total equity and liabilities</b>		<b>2,025,203</b>	2,001,344

The notes on pages 38 to 58 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Equity attributable to owners of the Company							Total equity RMB'000
	Share capital RMB'000 (note 19)	Capital reserve RMB'000 (note 20a)	Statutory reserve RMB'000 (note 20b)	Other reserve RMB'000 (note 20c)	Retained earnings RMB'000	Total RMB'000	NCI RMB'000	
	<b>For the six months ended 30 June 2023</b>							
<b>(Unaudited)</b>								
Balance at 1 January 2023 (audited)	373,500	552,615	41,374	(975)	213,403	1,179,917	37,145	1,217,062
Profit for the period	—	—	—	—	71,113	71,113	7,344	78,457
Other comprehensive loss for the period	—	—	—	(111)	—	(111)	—	(111)
Total comprehensive (loss)/income for the period	—	—	—	(111)	71,113	71,002	7,344	78,346
Dividend paid	—	—	—	—	—	—	(9,521)	(9,521)
Dividend declared (note 12)	—	—	—	—	(60,881)	(60,881)	—	(60,881)
<b>Balance at 30 June 2023</b>	<b>373,500</b>	<b>552,615</b>	<b>41,374</b>	<b>(1,086)</b>	<b>223,635</b>	<b>1,190,038</b>	<b>34,968</b>	<b>1,225,006</b>
<b>For the six months ended 30 June 2022</b>								
<b>(Unaudited)</b>								
Balance at 1 January 2022 (audited)	373,500	552,615	31,735	(1,028)	184,908	1,141,730	22,470	1,164,200
Profit for the period	—	—	—	—	61,949	61,949	7,506	69,455
Other comprehensive income for the period	—	—	—	1	—	1	—	1
Total comprehensive income for the period	—	—	—	1	61,949	61,950	7,506	69,456
Dividend declared (note 12)	—	—	—	—	(82,917)	(82,917)	—	(82,917)
<b>Balance at 30 June 2022</b>	<b>373,500</b>	<b>552,615</b>	<b>31,735</b>	<b>(1,027)</b>	<b>163,940</b>	<b>1,120,763</b>	<b>29,976</b>	<b>1,150,739</b>

The notes on pages 38 to 58 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	11,213	(34,777)
Income tax paid	(49,321)	(18,469)
<b>Net cash used in operating activities</b>	<b>(38,108)</b>	(53,246)
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(996)	(5,435)
Net proceeds from disposal of property, plant and equipment	—	5,003
Increase in bank deposits with the maturity over three months	(18,100)	(7)
Repayment from a NCI	—	2,520
Investment in a joint venture	—	(2,550)
Dividends received from associates	—	2,565
Interest received	11,091	5,979
<b>Net cash (used in)/generated from investing activities</b>	<b>(8,005)</b>	8,075
<b>Cash flows from financing activities</b>		
Dividends paid to non-controlling interests	(9,521)	—
Payment of lease liabilities	(15,527)	(18,809)
<b>Net cash used in financing activities</b>	<b>(25,048)</b>	(18,809)
<b>Net decrease in cash and cash equivalents</b>	<b>(71,161)</b>	(63,980)
Cash and cash equivalents at beginning of the period	1,443,945	1,397,612
Exchange effect on cash and cash equivalents	15	28,079
Cash and cash equivalents at end of the period	1,372,799	1,361,711

The notes on pages 38 to 58 are an integral part of these condensed consolidated interim financial statements.

# Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 1. GENERAL INFORMATION

Financial Street Property Co., Limited (the “**Company**”, formerly known as “Beijing Financial Street Property Management Co., Ltd.”) was incorporated in the People’s Republic of China (the “**PRC**”) as a limited liability company on 20 May 1994. On 19 September 2019, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The address of the Company’s registered office is No. 33, Financial Street, Xicheng District, Beijing, the PRC.

The Company’s H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 6 July 2020.

The Company’s immediate holding company is Beijing Huarong Zonghe Investment Co., Ltd. (the “**immediate holding company**”), an investment company established in the PRC. The ultimate holding company of the Company is Beijing Financial Street Investment (Group) Co., Ltd. (the “**ultimate holding company**”), a limited liability company incorporated in the PRC, which is under the control of the State-owned Assets Supervision and Administration Commission of Beijing Xicheng District Municipal Government (“**SASAC**”).

The Company and its subsidiaries (together, the “**Group**”) are primarily engaged in the provision of property management and related services in the PRC.

The unaudited condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and were authorised for issue by the Board of Directors on 23 August 2023.

## 2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

### (i) Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

## 2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS (CONTINUED)

### (ii) Application of amendments to HKFRSs

The condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of the following amended HKFRSs effective as of 1 January 2023. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Other than as noted below, the adoption of the amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

#### **Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”**

The amendments clarify that the initial recognition exemption of deferred tax in HKAS 12 “Income Taxes” does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in HKAS 12 “Income Taxes”.

The amendments are effective for annual reporting period beginning on or after 1 January 2023. As at 30 June 2023, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to RMB39,445,000 and RMB42,042,000 respectively, in which the Group recognised the related deferred tax liabilities and deferred tax assets of RMB9,861,000 and RMB10,057,000 respectively.



### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

### 4. FINANCIAL RISK MEASUREMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

There have been no material changes in the risk management policies of the Group since the year ended 31 December 2022.

### 5. SEGMENT

The board of directors of the Company is the Group's chief operating decision-maker ("**CODM**"). The board of directors has determined the operating segments for the purposes of allocating resources and assessing performance.

During the six months ended 30 June 2023 and 2022, the Group is principally engaged in the provision of property management and related services in the PRC and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole. The board of directors considers the performance assessment of the Group should be based on the results of the Group as a whole. Therefore, the board of directors considers there to be only one operating segment during the six months ended 30 June 2023 and 2022, respectively, under the requirement of HKFRS 8.

## 6. REVENUE

Revenues recognised during the six months ended 30 June 2023 and 2022, respectively, are as follows:

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Revenue from contract with customers</b>		
Property management and related services		
— recognised on a lump sum basis from property management services	526,027	504,900
— recognised on a commission basis from property management services	6,308	6,444
— Value-added services	137,744	126,504
Catering services	37,095	28,072
	<b>707,174</b>	665,920
<b>Revenue from other sources</b>		
Rental income	5,184	3,632
	<b>712,358</b>	669,552

For the six months ended 30 June 2023, Financial Street Group and its joint ventures and associates (the “**Financial Street Affiliates Group**”) contributed 12% of the Group’s revenue (For the six months ended 30 June 2022: 14%). Other than the Financial Street Affiliates Group, the Group has a large number of customers, none of whom contributed 10% or more of the Group’s revenue during the six months ended 30 June 2023 and 2022, respectively.

As the Group is domiciled in the PRC where all of its revenues from external customers for the six months ended 30 June 2023 and 2022, respectively, were derived and where all of its non-current assets are located, no geographical segment information is shown.

## Notes to Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

### 7. OTHER INCOME

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants ( <i>note</i> )	955	2,759
Recognition of additional deductible input VAT	2,143	3,591
	<b>3,098</b>	6,350

*Note:*

The government grants were received from PRC local government authorities on a discretionary basis for local business development and employment.

There were no unfulfilled conditions and other contingencies attached to the receipt of subsidy.

### 8. OTHER GAIN/(LOSS), NET

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss arising on change in fair value of derivative financial instruments	—	(27,806)
Net losses on disposal of property, plant and equipment	(28)	(4)
Others	596	133
	<b>568</b>	(27,677)

**9. FINANCE INCOME, NET**

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income on bank deposits	<b>10,535</b>	6,124
Interest income on loans to an associate ( <i>note 18</i> )	<b>102</b>	99
Interest income on a loan to NCI ( <i>note 18</i> )	<b>—</b>	46
Interest income on finance leases	<b>556</b>	—
	<b>11,193</b>	6,269
Finance costs		
Interest expenses for lease liabilities	<b>(1,696)</b>	(1,344)
	<b>9,497</b>	4,925

## Notes to Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

### 10. PROFIT BEFORE INCOME TAX

Profit for the periods is arrived at after (crediting)/charging:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Staff costs — including directors' emoluments ( <i>note 22(a)</i> )		
— Included in cost of sales and services	<b>230,789</b>	221,719
— Included in administrative expenses	<b>18,178</b>	24,080
Cost of cleaning, security and maintenance services	<b>243,563</b>	222,437
Depreciation		
— Property, plant and equipment ( <i>note 14</i> )	<b>15,374</b>	15,592
— Investment properties ( <i>note 14</i> )	<b>2,434</b>	2,136
Amortisation of intangible assets	<b>892</b>	816
Provision for/(Reversal of) ECL allowance		
— Trade receivables ( <i>note 17</i> )	<b>3,272</b>	5,426
— Other financial assets at amortised cost ( <i>note 18</i> )	<b>(2)</b>	235
Cost of raw material and consumables for catering services	<b>30,178</b>	27,019
Lease charges:		
— Short term leases	<b>2,034</b>	3,056
— Leases of low value items	<b>3,408</b>	3,549
Professional service fee	<b>1,579</b>	1,044
Taxes and surcharges	<b>3,178</b>	2,675
Auditor's remuneration		
— Audit services	<b>521</b>	521
Exchange gains, net	<b>(15)</b>	(28,079)

## 11. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
— PRC Corporate Income Tax	<b>30,793</b>	42,766
Deferred tax	<b>(3,553)</b>	(10,418)
Total income tax expense	<b>27,240</b>	32,348

### PRC Corporate Income Tax

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof.

The general Corporate Income Tax rate in the PRC is 25% (For the six months ended 30 June 2022: 25%).

Beijing Financial Street Savills Jingnan Property Management Co., Ltd., Hubei Financial Street Savills Property Management Co., Ltd., Beijing Jinxi Lilin Health Management Co., Ltd. and Huarong Property Agency were qualified as small and micro businesses and enjoyed a preferential income tax rate of 5% as approved by the local tax authority (For the six months ended 30 June 2022: 2.5%); Beijing Jintongtai Catering Co., Ltd. was qualified as small and micro business and enjoyed a preferential income tax rate of 5% as approved by the local tax authority (For the six months ended 30 June 2022: 10%); Beijing Financial Street Residential Property Management Co., Ltd. and Yongtaiheng were qualified as small and micro businesses and enjoyed a preferential income tax rate of 5% as approved by the local tax authority (For the six months ended 30 June 2022: 25%). Beijing IZEE Alley Catering Management Co., Ltd., IZEE Mitsuyado Catering Management Co., Ltd., Beijing Ronglutong Consulting Service Co., Ltd. and Beijing Financial Street Worldunion Real Estate Management Co., Ltd were loss making in 2022 and were subject to the general tax rate of 25% (For the six months ended 30 June 2022: 25%).

## 12. DIVIDENDS

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final dividends declared by the Company	<b>60,881</b>	82,917

In the Board meeting of the Company on 23 March 2023, the Board proposed a dividend of RMB60,881,000 which represented the Company's accumulated distributable retained earnings as at 31 December 2022. The proposed dividend was then approved in the shareholders' general meeting on 8 June 2023.

The board of directors of the Company has resolved not to declare an interim dividend for the six months ended 30 June 2023 (For the six months ended 30 June 2022: nil).

## 13. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, by the weighted average number of ordinary shares outstanding during the year.

	For the six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB'000)	<b>71,113</b>	61,949
Weighted average number of ordinary shares in issue ('000)	<b>373,500</b>	373,500
Basic earnings per share (RMB)	<b>0.190</b>	0.166

**13. EARNINGS PER SHARE (CONTINUED)**

## (b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as the Group had no dilutive potential ordinary shares during the six months ended 30 June 2023 and 2022, respectively.

**14. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT**

	For the six months ended 30 June 2023 (Unaudited)	
	Investment properties RMB' 000	Property, plant and equipment RMB' 000
<b>Cost</b>		
At beginning of period	39,319	165,786
Additions	—	1,455
Disposals and terminations	—	(10,386)
At end of period	39,319	156,855
<b>Accumulated depreciation</b>		
At beginning of period	(19,882)	(86,851)
Depreciation charge for the period	(2,434)	(15,374)
Disposals and terminations	—	8,649
At end of period	(22,316)	(93,576)
<b>Net book amount</b>		
At end of period	17,003	63,279



## 14. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	For the six months ended 30 June 2022 (Unaudited)	
	Investment properties <i>RMB'000</i>	Property, plant and equipment <i>RMB'000</i>
<b>Cost</b>		
At beginning of period	27,409	140,279
Additions	—	20,476
Disposals and terminations	—	(9,840)
At end of period	27,409	150,915
<b>Accumulated depreciation</b>		
At beginning of period	(15,611)	(63,439)
Depreciation charge for the period	(2,136)	(15,592)
Disposals and terminations	—	4,833
At end of period	(17,747)	(74,198)
<b>Net book amount</b>		
At end of period	9,662	76,717

## 15. INTERESTS IN ASSOCIATES

The movement in interests in associates in the condensed consolidated statement of financial position is as follows:

	For the six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
At beginning of period	15,677	15,273
Share of post-acquisition loss and other comprehensive loss, net of dividends received	(361)	(2,550)
At end of period	15,316	12,723

## 16. INTERESTS IN JOINT VENTURES

The movement in interests in joint ventures in the condensed consolidated statement of financial position is as follows:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
At beginning of period	2,550	—
Additional cost of investments	—	2,550
Share of post-acquisition loss and other comprehensive loss, net of dividends received	(69)	—
At end of period	2,481	2,550

## 17. TRADE RECEIVABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
	Trade receivables	
— related parties (note 22(c))	131,183	132,083
— third parties	186,878	124,368
	318,061	256,451
Less: ECL allowance of trade receivables	(16,848)	(13,854)
Trade receivables, net	301,213	242,597

## 17. TRADE RECEIVABLES (CONTINUED)

The directors of the Group consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The credit terms given to trade customers are determined on an individual basis with normal credit period ranged from 0–365 days.

The ageing analysis of the trade receivables before loss allowances as at 30 June 2023 and 31 December 2022 based on the invoice date is as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	275,939	179,681
1–2 years	18,950	44,863
2–3 years	18,447	27,612
Over 3 years	4,725	4,295
Total	<b>318,061</b>	256,451

The movement in the ECL allowance of trade receivables is as follows:

	For the six months ended 30 June 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Balance at 1 January	13,854	10,246
ECL allowance recognised during the period	3,272	5,426
Amount written off during the period	(278)	—
Balance at 30 June	<b>16,848</b>	15,672

**18. OTHER FINANCIAL ASSETS AT AMORTISED COST**

	As at 30 June 2023			As at 31 December 2022		
	Current RMB'000 (Unaudited)	Non-current RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Current RMB'000 (Audited)	Non-current RMB'000 (Audited)	Total RMB'000 (Audited)
Finance lease receivables	5,497	19,070	24,567	5,379	21,849	27,228
Loan and interest receivable from an associate	—	6,988	6,988	—	6,886	6,886
Payments on behalf of property owners, tenants and property developers	16,200	—	16,200	12,370	—	12,370
Deposits						
— Related parties	2,851	—	2,851	2,618	—	2,618
— Third parties	8,197	—	8,197	8,749	—	8,749
Other	1,876	—	1,876	1,165	—	1,165
	34,621	26,058	60,679	30,281	28,735	59,016
Less: ECL allowance	(634)	(698)	(1,332)	(560)	(774)	(1,334)
	33,987	25,360	59,347	29,721	27,961	57,682

The amount due from an associate is unsecured, interest bearing at 4.65% and not repayable within the next 12 months from the reporting date.

The Group has entered into lease arrangements as a lessor that are considered to be finance leases. The Group leases properties and as they transfer substantially all of the risks and rewards of ownership of these properties they are classified as finance leases.

## 18. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	6,434	6,434
1–2 years	6,434	6,434
2–3 years	6,434	6,434
Over 3 years	7,506	10,723
Total undiscounted lease payments receivable	<b>26,808</b>	30,025
Unearned finance income	<b>(2,241)</b>	(2,797)
Present value of finance lease receivables	<b>24,567</b>	27,228

The movement in the ECL allowance is as follows:

	For the six months ended 30 June 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Balance at 1 January	1,334	445
ECL allowance (reversed)/recognised during the period	<b>(2)</b>	235
Balance at 30 June	<b>1,332</b>	680

## 19. SHARE CAPITAL

	For the six months ended 30 June 2023 (Unaudited)		For the six months ended 30 June 2022 (Unaudited)	
	Number of shares'000	RMB'000	Number of shares'000	RMB'000
<b>Issued and fully paid</b>				
Balance as at 1 January and 30 June		<b>373,500</b>	373,500	373,500

## 20. RESERVES

### (a) Capital reserve

The capital reserve of the Group includes the share premium and the consideration in excess of the paid-in capital upon capital injection on and the difference between the consideration and net asset acquired by the Company for the further acquisition of NCI in subsidiaries.

### (b) Statutory reserve

In accordance with the relevant laws and regulations of the PRC and the Articles of Association of the Company, when distributing the net profit of each year, the Company shall appropriate 10% of its profit after taxation (based on the Company's local statutory financial statements) for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the Company's registered capital).

The statutory surplus reserves can be used to make up for the loss or increase the paid in capital after approval from the shareholders and are not distributable as cash dividends.

### (c) Other reserve

The other reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

## Notes to Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

### 21. TRADE AND OTHER PAYABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade payables (note a)	159,021	178,246
Other payables		
— Receipts on behalf of property owners, tenants and property developers	188,176	190,123
— Deposits (note b)	92,020	97,161
— Accruals	73	3,444
— Others	8,373	6,095
Payroll and welfare payables	70,222	68,806
Other tax payables	7,883	7,156
Dividend payables	60,881	—
Total	586,649	551,031

Notes:

- (a) The Group was granted by its suppliers credit periods ranging from 0–180 days. Based on the invoice dates, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) were as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	145,750	166,754
1–2 years	8,214	4,903
Over 2 years	5,057	6,589
	159,021	178,246

- (b) The balances mainly represent the deposits paid by the property owners, tenants and property developers for property management and refurbishment.

The carrying amounts of trade and other payables are considered to approximate their fair values, due to their short-term nature.

## 22. RELATED PARTY TRANSACTIONS

Except as disclosed in elsewhere, the Group entered into the following transactions with related parties as follows:

(a) Key management personnel compensation

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and allowances	1,966	2,048
Discretionary bonuses	2,844	1,322
Retirement scheme contributions	1,061	957
	<b>5,871</b>	<b>4,327</b>



**22. RELATED PARTY TRANSACTIONS (CONTINUED)**

## (b) Transactions with related parties

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Provision of services</b>		
Provision of property management and related services to the Financial Street Affiliates Group (i)	88,678	92,534
Provision of property management and related services to associates	1,147	1,445
Provision of property management and related services to the holding company of the Company's shareholder	433	—
	<b>90,258</b>	93,979
<b>Finance income</b>		
Interest income from a fellow subsidiary (i)	2,401	3,687
<b>Purchase of services and brand license</b>		
Brand licensing from the ultimate holding company	85	19
Purchase of services from an associate	744	1,012
Purchase of services from the Financial Street Affiliates Group	2,513	2,000
	<b>3,342</b>	3,031
<b>Rentals</b>		
Rental expenses to fellow subsidiaries (i)	1,411	2,085
Recognition of right-of-use assets and leased assets from fellow subsidiaries (i)	644	2,827
	<b>2,055</b>	4,912
<b>Interest expenses</b>		
Interest expenses for lease liabilities to fellow subsidiaries	1,208	827

(i) These transactions constitute connected transactions or continuing connected transactions under the Listing Rules.

**22. RELATED PARTY TRANSACTIONS (CONTINUED)**

## (c) Balances with related parties

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	<b>As at 31 December 2022 RMB'000 (Audited)</b>
<b>Trade in nature</b>		
Trade receivables from the Financial Street		
Affiliates Group	<b>127,704</b>	129,033
Trade receivables from an associate	<b>511</b>	207
Trade receivables from the holding company of the Company's shareholder	<b>446</b>	—
	<b>128,661</b>	129,240
Other receivables from the Financial Street		
Affiliates Group — Rental deposits	<b>2,848</b>	2,616
Trade and other payables to the Financial Street		
Affiliates Group	<b>47,612</b>	31,147
Trade and other payables to an associate	<b>992</b>	1,260
	<b>48,604</b>	32,407
Contract liabilities to the Financial Street		
Affiliates Group	<b>8,549</b>	5,257
Lease liabilities to fellow subsidiaries	<b>24,108</b>	30,769
Deposit placed with a fellow subsidiary	<b>321,669</b>	299,480

Other receivables due from fellow subsidiaries mainly consist of rental deposits, which were ongoing and occurred in the ordinary course of the business.

## 23. SUBSEQUENT EVENT

Disclosable transaction in relation to acquisition of 70% of equity interest in Top Property Services Company Limited (the “Target Company”) in Hong Kong

On 21 March 2023, the Company entered into a share sale and purchase agreement to acquire 70% of the equity interest in the Target Company for a maximum total consideration of HKD154 million.

On 26 July 2023, the Company received approval from the competent state-owned assets supervision and management authority for the results of the valuation of the assets of the Target Company and the conditions precedent of the share sale and purchase agreement dated 21 March 2023 in relation to the acquisition of the Target Company have been fulfilled. The parties will complete the acquisition in accordance with the terms of the share sale and purchase agreement.

Upon completion of the acquisition, the Target Company will become a direct subsidiary of the Company and its financial information will be consolidated into the financial statements of the Group.

For further details, please refer to the announcements dated 21 March 2023, 4 May 2023, 4 July 2023 and 26 July 2023 of the Company.

Apart from the event disclosed above and elsewhere in this report, the Group had no significant events after the end of reporting period.