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FINANCIAL STREET PROPERTY CO., LIMITED

金融街物業股份有限公司

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

(Stock Code: 1502)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 increased by approximately 15.65% to approximately RMB1,751.56 million from approximately RMB1,514.48 million for the year ended 31 December 2023.
- Profit of the Group for the year ended 31 December 2024 amounted to approximately RMB132.24 million, representing an decrease of approximately 7.87% as compared with approximately RMB143.54 million for the year ended 31 December 2023.
- Profit attributable to the owners of the Company for the year ended 31 December 2024 amounted to approximately RMB116.07 million, representing an decrease of approximately 9.39% as compared with approximately RMB128.10 million for the year ended 31 December 2023.
- As at 31 December 2024, the Group's gross floor area ("**GFA**") under management ("**GFA under management**") increased by 15.94% to approximately 47.02 million square meters ("**sq.m.**") from approximately 40.56 million sq.m. as at 31 December 2023. For the increased contracted GFA during the year, 94.63% of which were from independent third-party.
- The Board recommends the payment of 2024 proposed final dividend of RMB0.157 per Share (before tax) for the year ended 31 December 2024, with a dividend payout ratio of approximately 50.52%, in cash.

The board (the “**Board**”) of directors (the “**Directors**”) of Financial Street Property Co., Limited (the “**Company**” or “**Financial Street Property**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the same period of 2023.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	3	1,751,562	1,514,476
Cost of sales and services		<u>(1,499,004)</u>	<u>(1,259,236)</u>
Gross profit		252,558	255,240
Other income	4	4,203	5,747
Other gain, net	5	7,102	283
Administrative expenses		(91,215)	(78,366)
Provision for expected credit loss (“ECL”) allowance of trade receivables and other financial assets at amortised cost		<u>(11,625)</u>	<u>(10,059)</u>
Operating profit		161,023	172,845
Finance income	6	15,808	21,885
Finance costs	6	<u>(4,017)</u>	<u>(3,370)</u>
Finance income, net	6	11,791	18,515
Exchange loss, net		(350)	(194)
Share of profit from interests in associates, net		2,872	4,589
Share of profit from interests in joint ventures, net		<u>305</u>	<u>2</u>
Profit before income tax	7	175,641	195,757
Income tax expense	8	<u>(43,398)</u>	<u>(52,216)</u>
Profit for the year		<u>132,243</u>	<u>143,541</u>

		2024	2023
	Notes	RMB'000	RMB'000
Profit for the year attributable to:			
Owners of the Company		116,066	128,098
Non-controlling interests (“NCI”)		16,177	15,443
		<u>132,243</u>	<u>143,541</u>
Earnings per share, basic and diluted (RMB)	9	<u>0.311</u>	<u>0.343</u>
Other comprehensive (loss)/income			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of retirement benefit obligations		(357)	(226)
Remeasurements of long service payment (“LSP”) obligations		(570)	(81)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange loss on translation of financial statements of foreign operations		<u>1,918</u>	<u>(1,057)</u>
Other comprehensive income/(loss) for the year		<u>991</u>	<u>(1,364)</u>
Total comprehensive income for the year		<u>133,234</u>	<u>142,177</u>
Total comprehensive income attributable to:			
Owners of the Company		116,653	127,076
NCI		16,581	15,101
		<u>133,234</u>	<u>142,177</u>

Consolidated Statement of Financial Position
As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Investment properties		30,381	22,317
Property, plant and equipment		52,437	51,017
Interests in associates		7,526	16,204
Interests in joint ventures		2,857	2,552
Goodwill	10	93,618	81,274
Intangible assets		18,917	18,620
Prepayments		702	1,858
Other financial assets at amortised cost		19,291	43,816
Deferred tax assets		42,100	21,167
Total non-current assets		267,829	258,825
Current assets			
Trade receivables	11	345,640	270,618
Prepayments		15,403	19,221
Other financial assets at amortised cost		61,415	52,577
Bank deposits with the maturity over three months		99,730	115,104
Restricted bank deposits		80,906	70,356
Cash and cash equivalents		1,458,578	1,316,199
Total current assets		2,061,672	1,844,075
Total assets		2,329,501	2,102,900

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY AND LIABILITIES			
Share capital	12	373,500	373,500
Reserves		620,836	608,520
Retained earnings		303,525	263,804
Equity attributable to owners of the Company		1,297,861	1,245,824
NCI		71,212	57,136
Total equity		1,369,073	1,302,960
Non-current liabilities			
Trade and other payables		26,848	25,605
Lease liabilities		33,935	34,507
Deferred tax liabilities		1,300	1,192
Retirement benefit obligations		5,376	5,141
LSP obligations		754	399
Total non-current liabilities		68,213	66,844
Current liabilities			
Trade and other payables	14	702,675	580,495
Contract liabilities		131,077	116,992
Current tax liabilities		26,969	16,819
Current portion of lease liabilities		30,991	18,398
Current portion of retirement benefit obligations		334	338
Current portion of LSP obligations		169	54
Total current liabilities		892,215	733,096
Total liabilities		960,428	799,940
Total equity and liabilities		2,329,501	2,102,900

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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 under the control of Beijing Financial Street Investment (Group) Co., Ltd. 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.

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

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

2 Summary of significant accounting policies

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and requirements of the Hong Kong Companies Ordinance Cap.622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis.

(iii) Amendments to standards adopted by the Group

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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.

(iv) New standards and amendments to standards not yet been adopted by the Group

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;
- disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRSs, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as "other".

3 Segment information

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.

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 that 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 under the requirement of HKFRS 8.

The Group's revenue recognised during the year is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contract with customers		
Property management and related services		
— recognised on a lump sum basis from property management services	1,338,269	1,115,501
— recognised on a commission basis from property management services	17,393	12,873
— Community value-added services	326,444	302,757
Catering services	60,081	73,450
	<u>1,742,187</u>	<u>1,504,581</u>
Revenue from other sources		
Rental income	9,375	9,895
	<u>1,751,562</u>	<u>1,514,476</u>

For the year ended 31 December 2024, Financial Street Group and its subsidiaries, associates and joint ventures (the “**Financial Street Affiliates Group**”) contributed 10% of the Group’s revenue (2023: 12%). Other than the Financial Street Affiliates Group, the Group had a large number of customers, none of whom contribute 10% or more of the Group’s revenue during the years ended 31 December 2024 and 2023.

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major types of services provided:

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Segment revenue		
— recognised over time	1,682,106	1,431,131
— recognised at a point in time	60,081	73,450
Rental income	9,375	9,895
	<u>1,751,562</u>	<u>1,514,476</u>

The Group’s revenue from external customers is mainly derived from customers located in Mainland China (location of domicile) and Hong Kong, which is determined based on the location of customers, while the Group’s non-current assets are located in Hong Kong and Mainland China, which is determined based on the geographical location of these assets or place of group entities that hold such assets, where appropriate.

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
External revenue		
— Mainland China	1,624,045	1,487,570
— Hong Kong	127,517	26,906
	<u>1,751,562</u>	<u>1,514,476</u>

	2024 RMB'000	2023 RMB'000
Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year		
— Mainland China	70,747	26,765
— Hong Kong	121	86,885
	70,868	113,650
4 Other income		
	2024 RMB'000	2023 RMB'000
Government grants	4,143	1,777
Recognition of additional deductible input VAT	60	3,970
	4,203	5,747
5 Other gain, net		
	2024 RMB'000	2023 RMB'000
Net loss on disposal of property, plant and equipment	(102)	(564)
Net gain from derecognition of leases upon early termination	172	1,013
Loss on disposal of right-of-use assets	(34)	(60)
Gain on step acquisition of a subsidiary	17,718	—
Provision for impairment in non-financial assets	(11,096)	—
Others	444	(106)
	7,102	283

6 Finance income, net

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Finance income		
Interest income on bank deposits	14,971	20,713
Interest income on finance leases	837	1,172
	15,808	21,885
Finance costs		
Finance charges on lease liabilities	(2,641)	(3,068)
Net interest expense on retirement benefit obligation	(133)	—
Imputed interest income from consideration payables related to acquisition of a subsidiary	(1,243)	(302)
	(4,017)	(3,370)
	11,791	18,515

7 Profit before income tax

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Staff costs — including directors' emoluments		
— Included in cost of sales and services	574,332	489,296
— Included in administrative expenses	52,190	43,551
Cost of cleaning, security and maintenance services	713,745	541,175
Utilities	94,659	94,665
Depreciation		
— Property, plant and equipment	27,267	30,679
— Investment properties	5,770	4,899
Amortisation of intangible assets	3,440	2,303
Provision/(Reversal of provision) for ECL allowance		
— Trade receivables	11,902	9,707
— Other financial assets at amortised cost	(277)	352
Impairment loss of investment properties	1,479	—
Impairment loss of property, plant and equipment	364	—
Impairment loss of goodwill	9,253	—
Cost of raw material and consumables for catering services	33,557	53,861
Lease charges:		
— Short term leases	11,738	9,642
— Leases of low value items	7,828	6,254
Professional service fee	5,585	10,571
Taxes and surcharges	7,721	6,829
Auditor's remuneration		
— Audit services	2,249	2,075
— Non-audit services	521	577
Exchange loss, net	350	194
Other expenses	49,616	41,225

8 Income tax expenses

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax		
— PRC Corporate Income Tax	63,471	56,196
— Hong Kong Profits Tax	884	486
Deferred tax	(20,957)	(4,466)
Total income tax expense	43,398	52,216

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% (2023: 25%).

Beijing Yongtaiheng Health Service Co., Ltd., Beijing IZEE Property Agency Co., Ltd. (formerly known as Beijing Huarong Property Agency Co., Ltd.), Beijing Jintongtai Catering Co., Ltd., Beijing Financial Street Savills Jingnan Property Management Co., Ltd., Hubei Financial Street Savills Property Management Co., Ltd., Beijing Financial Street Residential Property Management Co., Ltd., Beijing IZEE Life Services Co., Ltd. (formerly known as Beijing Jinxi Linlin Life Services Co., Ltd.), Beijing Yijigou Trading Co., Ltd., Shandong Financial Street Property Co., Ltd. and Financial Street Hongya Property Services (Chongqing) Co., Ltd. were qualified as small and micro businesses and enjoyed a preferential income tax rate of 5% as approved by the local tax authority (2023: 5%); Zhijia Operations Management (Guangzhou) Co., Ltd and Luoyang UDI Property Service Co., Ltd. were qualified as small and micro businesses and enjoyed a preferential income tax rate of 5% as approved by the local tax authority (2023: Nil).

Hong Kong profits tax

The provision for Hong Kong Profits Tax for the year ended 31 December 2024 is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2,000,000 are taxed at 16.5%.

9 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.

	2024	2023
Profit attributable to owners of the Company (RMB'000)	116,066	128,098
Weighted average number of ordinary shares in issue ('000)	373,500	373,500
Basic earnings per share (RMB)	0.311	0.343

(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 years ended 31 December 2024 and 2023.

10 GOODWILL

The major changes in the carrying amounts of goodwill result from the acquisition of Top Property Services Company Limited (“**Top Property Services**”). The net carrying amount of goodwill can be analysed as follows:

	2024 RMB’000	2023 RMB’000
At the beginning of year	81,274	325
Acquisition of a subsidiary	21,597	80,949
Impairment losses	(9,253)	—
	<hr/>	<hr/>
Net carrying amount at 31 December	93,618	81,274
	<hr/> <hr/>	<hr/> <hr/>

Impairment tests for CGUs containing goodwill

Management performed an impairment assessment on the goodwill as at 31 December 2024 and 2023. The carrying amount of goodwill, net of any impairment loss, is allocated to the CGUs as follows:

	2024 RMB’000	2023 RMB’000
Property management		
— Top Property Services	71,696	80,949
— Chongqing Jiangbeizui Real Estate Co., Ltd. (“Chongqing Jiangbeizui”)	21,597	—
— Nanjing Financial Street Savills Property Service Co., Ltd. (“Nanjing Financial Street Savills”)	325	325
	<hr/>	<hr/>
	93,618	81,274
	<hr/> <hr/>	<hr/> <hr/>

The recoverable amounts for the CGUs were determined based on value-in-use calculations. These calculations used cash flow projections based on financial budget approved by the management covering a five-year period. The key assumptions used in estimating the recoverable amounts were as follows:

	Top Property Services <i>RMB'000</i>	Chongqing Jiangbeizui <i>RMB'000</i>	Nanjing Financial Street Savills <i>RMB'000</i>
2024			
Revenue 5-year average growth rate	8.12%	1.67%	4.29%
Long term growth rate	0%	0%	0%
Pre-tax discount rates	11.56%	11.05%	11.96%
2023			
Revenue 5 year average growth rate	11.53%	N/A	4.49%
Long term growth rate	0%	N/A	0%
Pre-tax discount rates	11.31%	N/A	13.49%

An impairment loss of RMB9,253,000 (2023: nil) was recognised for Top Property Services.

The impairment loss was included under “Other gain, net” in the consolidated statement of profit or loss and other comprehensive income.

11 Trade receivables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables		
— related parties	110,745	89,732
— third parties	268,406	202,012
	379,151	291,744
Less: ECL allowance of trade receivables	(33,511)	(21,126)
Trade receivables, net	345,640	270,618

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 (2023: 0–365 days).

The ageing analysis of the trade receivables before loss allowances as at 31 December 2024 and 2023 based on the invoice date is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	284,855	194,931
1–2 years	42,528	47,845
2–3 years	35,028	22,138
Over 3 years	16,740	26,830
	<u>379,151</u>	<u>291,744</u>
Total	<u>379,151</u>	<u>291,744</u>

12 Share capital

	2024		2023	
	<i>Number of shares '000</i>	<i>RMB'000</i>	<i>Number of shares '000</i>	<i>RMB'000</i>
Issued and fully paid				
Balance as at 1 January and 31 December	373,500	373,500	373,500	373,500

13 Dividend

(a) Dividend attributable to the year:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final dividend of RMB0.157 per ordinary share (2023: RMB0.173 per ordinary share)	<u>58,640</u>	<u>64,616</u>

The final dividend proposed after the reporting date is subject to approval of the shareholders at the forthcoming annual general meeting of the Company and has not been recognised as a liability at the reporting date.

- (b) Dividends attributable to the previous financial year, approved and paid during the year:

	2024 RMB'000	2023 RMB'000
Final dividends declared by the Company (<i>note i</i>)	64,616	60,881
Final dividends declared to NCI by subsidiaries (<i>note ii</i>)	<u>2,830</u>	<u>9,521</u>
	<u>67,446</u>	<u>70,402</u>

Notes:

- (i) In the annual general meeting of the Company on 6 June 2024, the Board declared a final dividend in respect of the year ended 31 December 2023 of RMB0.173 per share, totalling approximately RMB64,616,000. The dividend was settled in August 2024.

In the annual general meeting of the Company on 8 June 2023, the Board declared a final dividend in respect of the year ended 31 December 2022 of RMB0.163 per share, totalling approximately RMB60,881,000. The dividend was settled in August 2023.

- (ii) These are the dividend declared and paid by Hubei Financial Street Savills Property Management Co., Ltd. and Nanjing Financial Street Savills Property Service Co., Ltd., the subsidiaries, to NCI for the year ended 31 December 2023.

These are the dividend declared and paid by Beijing Financial Street Savills Property Management Co., Ltd., a subsidiary, to NCI for the year ended 31 December 2021.

- (c) Dividends attributable to the previous financial year, approved and payable during the year:

	2024 RMB'000	2023 RMB'000
Final dividends declared to NCI by subsidiaries (<i>note</i>)	<u>10,632</u>	<u>11,205</u>

Note:

These are the dividend declared by Beijing Financial Street Savills Property Management Co., Ltd., a subsidiary, to NCI for the year ended 31 December 2023 and 2022.

14 Trade and other payables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables (<i>note a</i>)	<u>245,065</u>	<u>191,913</u>
Other payables		
— Receipts on behalf of property owners, tenants and property developers	216,446	188,320
— Deposits (<i>note b</i>)	98,764	87,670
— Accruals	3,333	3,216
— Others	5,180	6,561
Payroll and welfare payables	102,240	84,630
Consideration payables related to acquisition of a subsidiary (<i>note c</i>)	26,848	25,605
Dividend payable	21,837	11,205
Other tax payables	<u>9,810</u>	<u>6,980</u>
	729,523	606,100
Less: non-current portion		
Consideration payables related to acquisition of a subsidiary (<i>note c</i>)	<u>(26,848)</u>	<u>(25,605)</u>
Current portion	<u><u>702,675</u></u>	<u><u>580,495</u></u>

Notes:

- (a) The Group was granted by its suppliers credit periods ranging from 0–180 days (2023: 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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	228,868	177,278
1–2 years	10,850	6,538
Over 2 years	<u>5,347</u>	<u>8,097</u>
	<u><u>245,065</u></u>	<u><u>191,913</u></u>

- (b) The balances mainly represent the deposits paid by the property owners, tenants and property developers for property management and refurbishment.
- (c) The consideration payable referred to the balance sum of the consideration payable to the existing shareholder of a subsidiary acquired during the financial year. The consideration is payable subject to the subsidiary achieving certain performance targets and will be settled after 2025.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 years since 1994, and since then has expanded the property management business across seven regions (namely Northern China, Southwestern China, Eastern China, Southern China, Northeastern China, Central China and Northwestern 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 has continued to focus on enhancing its market competitiveness by actively laying out its presence in first-tier and second-tier cities with high capacities. With commercial property and public building properties as the two core directions of expansion, the Group has expanded into a number of representative projects including commercial office buildings, business centers, government authorities, schools and hospitals. As at 31 December 2024, the Group had a business presence in 26 provinces, municipalities, autonomous regions and special administrative regions, and the GFA under management amounted to approximately 47.02 million sq.m., representing a year-on-year growth of 15.94%. In particular, the GFA under the management from non-residential sector accounted for 58.40%. For the increased contracted GFA during the year, 94.63% of which were from independent third-party.

The representative projects newly obtained by the Group in 2024 are summarized as follows:

Property Management Project for Beijing Central Axis Heritage Conservation Center

The project comprises the Zhengyangmen Gatehouse, the Archery Tower and the Deshengmen Archery Tower, located in Beijing. The Group provides integrated property management services to it.

Office Building of China Gold Coin Incorporation

The project is located in Beijing. The Group provides integrated property management services to it.

Beijing Branch of Bank of Tianjin

The Group provides integrated property management services for this project, including inspection services, engineering maintenance, customer services, infrastructure maintenance, and car park management.

Airline project in Shanghai

The Group provides property management services for the P1 and P2 parking building at Shanghai Pudong International Airport, as well as a number of lounges and high-end check-in areas at Shanghai Hongqiao International Airport and Shanghai Pudong International Airport.

Resettlement Housing Project of China Xiongan Group Urban Development Investment Co. (中國雄安集團城市發展投資有限公司安置房項目)

The project is located in Xiongan New District, Hebei Province, with a management area of 569,300 sq.m. The Group provides comprehensive services in the property management area.

Guoneng Shandong Real Estate Co., Ltd. Hainan Power Office Building (國能山東置業有限公司海南電力辦公樓)

The project covers a number of office buildings located in four counties in Hainan Province (i.e. Haikou City, Dongfang City, Qiongzong County, Ledong County), with a total service area of 561,300 sq.m..

Chongqing Yucai Primary School

The project is located in Jiulongpo District, Chongqing with a gross floor area of 41,000 sq.m. and is a key primary school in Chongqing. The Group provides services such as campus cleaning and engineering maintenance.

The Met. Acappella Project (薈薺項目) in Hong Kong

The project is located in the Hong Kong Special Administrative Region and is residential project comprising 336 units in 2 towers with a managed area of approximately 30,000 sq.m..

Languang Luh Long Island Community (藍光鷺湖長島小區) in Chongqing

The project is located in Chongqing, with a total GFA of 483,400 sq.m., mainly comprising high-rise residential buildings and houses. The Group provides integrated property management services for the project.

In addition to the above projects, the Group also expanded its commercial office ecology projects in 2024, such as The Third Office Area of Fangshan District of Beijing Municipal Affairs Service Center of Government Logistics; Beijing Xicheng District Administrative Service Center; Institute of Geology, China Earthquake Administration; Jilin Project Department of Northeast Branch and Southwest Branch Office Building of CHN Energy Real Estate Co., Ltd. (國家能源集團置業有限公司) and Western Tower, Luoyang Science and Technology Building (洛陽科技大廈西塔樓).

Property Management and Related Services

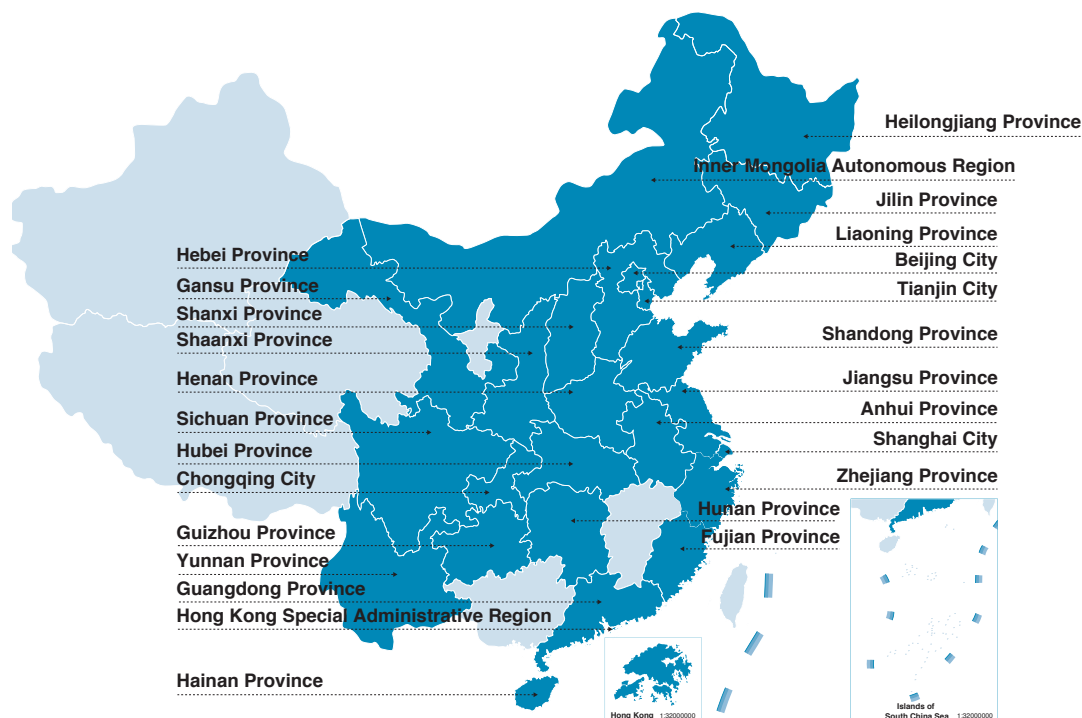
As at 31 December 2024, the Group's property management services covered 26 provinces, municipalities, autonomous regions and special administrative regions across seven regions in China (including Northern China, Southwestern China, Eastern China, Southern China, Northeastern China, Central China and Northwestern China), with a total GFA under management of 47.02 million sq.m. and a total of 362 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:

	As at 31 December 2024	As at 31 December 2023
Contracted GFA ('000 sq.m.)	48,989	43,703
GFA under management ('000 sq.m.)	47,022	40,556
Number of properties under management	<u>362</u>	<u>290</u>

Geographic Coverage

The following map shows the geographic coverage of the properties under management of the Group as at 31 December 2024:



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 31 December 2024		As at 31 December 2023	
	GFA under management (’000 sq.m.)	Number of projects (project)	GFA under management (’000 sq.m.)	Number of projects (project)
Northern China	19,044	161	15,445	132
Southern China	8,915	96	6,720	75
Eastern China	7,339	46	8,557	36
Southwestern China	6,649	34	5,278	29
Northeastern China	2,188	12	1,498	10
Central China	1,979	9	2,418	6
Northwestern China	908	4	640	2
Total	<u>47,022</u>	<u>362</u>	<u>40,556</u>	<u>290</u>

Notes:

- Northern China region includes Beijing, Tianjin, Hebei Province, Inner Mongolia Autonomous Region and Shanxi Province
- Southern China region includes Guangdong Province, Fujian Province, Hainan Province and Hong Kong Special Administrative Region
- Eastern China region includes Shanghai, Jiangsu Province, Zhejiang Province, Shandong Province and Anhui Province
- Southwestern China region includes Chongqing, Sichuan Province, Guizhou Province and Yunnan Province
- Northeastern China region includes Heilongjiang Province, Jilin Province and Liaoning Province
- Central China region includes Hubei Province, Henan Province and Hunan Province
- Northwestern China region includes Shaanxi Province and Gansu Province

Types of Properties under Management

The Group manages a diversified portfolio of properties covering commercial and business properties, including office buildings, complexes, retail buildings and hotel; 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 the provision of 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 31 December 2024			As at 31 December 2023		
	GFA under management (<i>'000 sq.m.</i>)	Percentage (%)	Number of properties under management	GFA under management (<i>'000 sq.m.</i>)	Percentage (%)	Number of properties under management
Office buildings	8,329	17.71	79	7,730	19.06	70
Complexes	1,200	2.55	5	1,200	2.96	5
Retail buildings and hotels	432	0.92	8	368	0.91	4
Residential properties	19,559	41.60	137	16,821	41.47	117
Public properties, hospitals, educational properties and others	17,502	37.22	133	14,437	35.60	94
Total	<u>47,022</u>	<u>100</u>	<u>362</u>	<u>40,556</u>	<u>100</u>	<u>290</u>

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

	As at 31 December 2024		As at 31 December 2023	
	GFA under management (<i>'000 sq.m.</i>)	Percentage (%)	GFA under management (<i>'000 sq.m.</i>)	Percentage (%)
Property management services (lump-sum basis)	42,588	90.57	36,941	91.09
Property management services (commission basis)	4,434	9.43	3,615	8.91
Total	<u>47,022</u>	<u>100</u>	<u>40,556</u>	<u>100</u>

It is important to note that on a commission basis, the Group recorded only a pre-determined fixed 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 the Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司, “**Financial Street Group**”), a state-owned enterprise established in the PRC and is one of the controlling shareholders of the Company, and its affiliates (the “**Financial Street Affiliates Group**”) and independent third party. As at 31 December 2024, the GFA of the properties developed by the Financial Street Affiliates Group under the management of the Group was approximately 20.32 million sq.m.. At the same time, the scale of business from independent third parties continued to expand in 2024. The Group’s GFA under management from properties developed by independent third party was approximately 26.71 million sq.m. as at 31 December 2024, representing an increase of approximately 26.59% from approximately 21.10 million sq.m. as at 31 December 2023. Furthermore, the number of projects developed by independent third party also increased from 159 as at 31 December 2023 to 223 as at 31 December 2024.

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 31 December 2024			As at 31 December 2023		
	GFA under management (’000 sq.m.)	Percentage (%)	Number of projects (project)	GFA under management (’000 sq.m.)	Percentage (%)	Number of projects (project)
Properties developed by Financial Street Affiliates Group	20,315	43.20	139	19,456	47.97	131
Properties developed by independent third party	26,707	56.80	223	21,100	52.03	159
Total	47,022	100	362	40,556	100	290

Value-added services

The Group’s value-added business is mainly composed of six major segments, including operating business, consulting services, asset operation, resources management (including field services), customized services and other income. In addition, based on the existing value-added business portfolio, the Group continued to expand the scope and scale of value-added business services. In 2024, the Group continued to promote online consumption platforms, namely “金愛臻品” and “金愛臻選”, and further refine the product and service categories offerings to better match our customers’ needs. Furthermore, the Group consolidated and expanded the IZEE series of brands and launched IZEE Brokerage and IZEE Lifestyle Services to provide customers with real estate brokerage services and quality life services.

FUTURE OUTLOOK

In terms of business development, we will adhere to long-termism, continue to deepen our professional advantages in the commercial office and public construction sectors, further enhance our brand influence, and at the same time strengthen regional layout, optimize resource allocation, focus on first and second high-tier cities, and improve the overall quality of projects.

In terms of service quality, we will continue to give priority to customer experience, strengthen service awareness and service concept, promote the improvement of management model and service system, continuously optimize service processes and improve service quality, and lay a solid foundation for the long-term development of the Company.

In terms of social responsibility, we will actively assume the social responsibility of state-owned enterprises, continue to participate in and support social welfare activities, show concern for vulnerable groups, and put the spirit of public welfare into practice through tangible actions. At the same time, we will strengthen production safety work and strive to provide customers with a reassuring and safe living and working space.

In terms of corporate governance, we will continue to optimize and improve the corporate governance structure, strengthen internal control and risk management, continuously improve the quality and transparency of information disclosure, enhance communication with shareholders, ensure compliance in business operations, and promote operational efficiency.

FINANCIAL REVIEW

Revenue

The Group derives revenue mainly from: (i) property management and related services; and (ii) catering services. Revenue increased by approximately 15.65% from approximately RMB1,514.48 million for the year ended 31 December 2023 to approximately RMB1,751.56 million for the year ended 31 December 2024.

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

	For the year ended 31 December				Changes	
	2024		2023			
	<i>RMB'000</i>	<i>Percentage (%)</i>	<i>RMB'000</i>	<i>Percentage (%)</i>	<i>RMB'000</i>	<i>Percentage (%)</i>
Property management and related services:						
Property management services	1,355,662	77.40	1,128,374	74.51	227,288	20.14
Value-added services	326,444	18.64	302,757	19.99	23,687	7.82
Rental services	9,375	0.53	9,895	0.65	(520)	(5.26)
Catering services	60,081	3.43	73,450	4.85	(13,369)	(18.20)
Total	1,751,562	100.00	1,514,476	100.00	237,086	15.65

- 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) car park management services; and (vi) other related services, which increased from approximately RMB1,441.03 million for the year ended 31 December 2023 to approximately RMB1,691.48 million for the year ended 31 December 2024, representing an increase of approximately 17.38%. The increase in projects under management has led to the growth in property management income. The increase in revenue from value-added services was due to the steady increase in various operating income.
- Revenue generated from our catering services: our revenue from catering services decreased from approximately RMB73.45 million for the year ended 31 December 2023 to approximately RMB60.08 million for the year ended 31 December 2024.

Cost of Sales and Services

The Group's cost of sales and services mainly consists of (i) subcontracting costs; (ii) employee benefit expenses; (iii) utilities; (iv) cost of cleaning, security and maintenance 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 approximately 19.04% from approximately RMB1,259.24 million for the year ended 31 December 2023 to approximately RMB1,499.00 million for the year ended 31 December 2024. The cost of sales increased along with the expansion of business scale of the Company and more costs were incurred to adapt to the market economic environment and enhance market competitiveness of the Company.

Gross Profit and Gross Profit Margin

The overall gross profit of the Group decreased by approximately 1.05% from approximately RMB255.24 million for the year ended 31 December 2023 to approximately RMB252.56 million for the year ended 31 December 2024. The overall gross profit margin of the Group for the year ended 31 December 2024 was approximately 14.42%, representing a decrease from 16.85% for the year ended 31 December 2023. Affected by the market environment and intensified industry competition, the Company further increased its investments in enhancing the operational efficiency of project management and service quality, which in turn led to an increase in overall costs. The table below sets forth the Group's gross profit and gross profit margin by type of service for the periods indicated:

	For the year ended 31 December				Changes	
	2024		2023			
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Amount	Gross Profit Margin
	<i>RMB'000</i>	<i>(%)</i>	<i>RMB'000</i>	<i>(%)</i>	<i>RMB'000</i>	<i>(%)</i>
Property management and related services	256,217	15.15	259,147	17.98	(2,930)	(2.83)
Commercial and business properties	179,754	20.29	200,307	23.31	(20,553)	(3.02)
Non-commercial properties	76,463	9.49	58,840	10.11	17,623	(0.62)
Catering services	(3,659)	(6.09)	(3,907)	(5.32)	248	(0.77)
Total	<u>252,558</u>	<u>14.42</u>	<u>255,240</u>	<u>16.85</u>	<u>(2,682)</u>	<u>(2.43)</u>

Impairment Loss of Goodwill

In 2024, the Group recorded an impairment loss of goodwill of approximately RMB9.25 million, which was mainly due to the growth in revenue of relevant business was weaker than expected as a result of the impact of the market environment (2023: nil).

Administrative Expenses

Administrative expenses of the Group increased by approximately 16.40% from approximately RMB78.37 million for the year ended 31 December 2023 to approximately RMB91.22 million for the year ended 31 December 2024, primarily attributable to new mergers and acquisitions in 2023, which was included in the whole year's data in 2024.

Income Tax Expense

Income tax expense of the Group decreased by approximately 16.89% from approximately RMB52.22 million for the year ended 31 December 2023 to approximately RMB43.40 million for the year ended 31 December 2024, primarily attributable to the impact of decreased profits, and a portion of income is not included in the income tax calculation.

Profit for the Reporting Period

For the year ended 31 December 2024, the Group's profit for the year amounted to approximately RMB132.24 million, profit before income tax amounted to approximately RMB175.64 million, and profit attributable to the owners of the Company amounted to approximately RMB116.07 million.

Total Comprehensive Income for the Reporting Period

Total comprehensive income of the Group decreased from approximately RMB142.18 million for the year ended 31 December 2023 to approximately RMB133.23 million for the year ended 31 December 2024, representing a decrease of approximately 6.29%.

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's cash and bank balances were approximately RMB1,639.21 million, representing an increase of approximately RMB137.55 million from approximately RMB1,501.66 million as at 31 December 2023.

The Group's financial situation remained stable and healthy. The net current assets of the Group were approximately RMB1,169.46 million as at 31 December 2024, as compared to approximately RMB1,110.98 million as at 31 December 2023, representing an increase of 5.26%. As at 31 December 2024, the Group's current ratio (current assets/current liabilities) was approximately 2.31 (as at 31 December 2023: approximately 2.52).

As at 31 December 2024, the Group did not have any borrowings or bank loans (as at 31 December 2023: nil).

TRADE AND OTHER RECEIVABLES

Trade receivables mainly arise from property management and related services. Trade receivables of the Group increased by approximately RMB75.02 million from approximately RMB270.62 million as at 31 December 2023 to approximately RMB345.64 million as at 31 December 2024, primarily due to the increase in trade receivables as a result of the expansion of size and business of the Group.

Other receivables mainly include payments and deposits paid on behalf of owners, tenants and property developers. Other receivables of the Group decreased by approximately RMB15.68 million from approximately RMB96.39 million as at 31 December 2023 to approximately RMB80.71 million as at 31 December 2024, which mainly recovered in the ordinary course of business of the Company.

TRADE AND OTHER PAYABLES

Trade payables mainly represent amount payable to suppliers and subcontractors, including for purchase of materials. As at 31 December 2024, our balance of trade payables amounted to approximately RMB245.07 million, representing an increase of approximately RMB53.16 million as compared with approximately RMB191.91 million as at 31 December 2023, which was mainly due to the increase in the cost of security guards, cleaning, engineering and materials supply caused by the expansion of the Company's business scale, for which payments had not become due, thereby resulting in a corresponding increase in its balance.

Payroll and welfare payables mainly refer to salary and insurance. As at 31 December 2024, the payroll and welfare payables of the Group were approximately RMB102.24 million, representing an increase of 20.81% as compared with approximately RMB84.63 million as at 31 December 2023, mainly due to the expansion of size and business of the Group.

Other payables and accruals mainly include payments and deposits collected on behalf of owners, tenants and property developers. Other payables increased by approximately 13.28% from approximately RMB285.77 million as at 31 December 2023 to approximately RMB323.72 million as at 31 December 2024, primarily due to the expansion of business scale of the Group.

USE OF PROCEEDS FROM THE LISTING

The H Shares of Company was successfully listed on the Stock Exchange on 6 July 2020 (the “**Listing Date**”) and the Company 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. After deducting the underwriting fees and relevant expenses, net proceeds from the listing (the “**Net Proceeds**”) amounted to approximately HK\$710.48 million (equivalent to approximately RMB648.36 million). After careful consideration and detailed assessment of the operation and business strategies of the Group, in order to provide sufficient fund support for continuous market expansion, joint venture and cooperation, investment and merger and acquisition, the Board has decided to change the use of the unutilised portion of the Net Proceeds (the “**Reallocation**”). For further details, please refer to the announcement of the Company dated 27 March 2024 (the “**Announcement**”). The unutilised Net Proceeds have been placed as interest-bearing deposits with licensed banks in Mainland China. As at 31 December 2024, such Net Proceeds were allocated and utilised in accordance with the use of proceeds set out in the Prospectus of the Company dated 19 June 2020 (the “**Prospectus**”) and the Announcement.

The analysis on the utilisation of the Net Proceeds up to 31 December 2024 is as follows:

	The use of Net Proceeds after Reallocation <i>RMB million</i>	Actual use of Net Proceeds as at 31 December 2024 <i>RMB million</i>	Utilised Net Proceeds during the Reporting Period <i>RMB million</i>	Unutilised Net Proceeds as at 31 December 2024 <i>RMB million</i>	Expected timeline of full utilisation of the remaining balance
Pursuing strategic acquisitions and investment opportunities and establishing new branches and subsidiaries to expand the Group’s business scale	517.87	142.73	9.54	375.14	on or before 31 December 2026
Developing the Group’s value-added services business	49.12	40.63	1.02	8.49	on or before 31 December 2026
Establishing and upgrading IT and intelligent facilities systems	16.53	7.65	1.11	8.88	on or before 31 December 2026
The Group’s working capital and general corporate purposes	64.84	—	—	64.84	on or before 31 December 2026
Total	<u>648.36</u>	<u>191.01</u>	<u>11.67</u>	<u>457.35</u>	

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

For more details and explanation of the use of proceeds, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus and the Announcement. The updated expected timeline is based on the Company’s best estimates and assumptions of future market conditions and industry development, and the proceeds are utilised in accordance with the actual development of the Group’s business and the industry.

PLEDGE OF ASSETS

As at 31 December 2024, none of the assets of the Group were pledged (as at 31 December 2023: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

On 13 December 2024, Beijing Financial Street Savills Property Management Co., Ltd. (北京金融街第一太平戴維斯物業管理有限公司) (the “**Purchaser**”), a subsidiary of the Company, has acquired 11% equity interests in Chongqing Jiangbeizui Property Service Co., Ltd. (重慶市江北嘴物業服務有限公司) (the “**Chongqing Jiangbeizui**”) through openmarket bidding of Chongqing Assets and Equity Exchange Group Company Limited* (重慶聯合產權交易所集團股份有限公司) at a consideration of RMB6.5128 million. Upon completion of the acquisition, the Purchaser hold 51% equity interests in Chongqing Jiangbeizui and Chongqing Jiangbeizui became an indirect non-wholly owned subsidiary of the Company.

For further details, please refer to the announcements of the Company dated 13 December 2024, 3 January 2025 and 27 January 2025, respectively.

Save as disclosed herein, for the year ended 31 December 2024, the Group did not have any material acquisitions or disposals of assets.

SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENT OF CAPITAL ASSETS

As at the date of this announcement, the Group does not have and has no plan for any material investment, disposal of 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 relevant period divided by our total assets as at the end of such period. As at 31 December 2024, our liabilities to assets ratio was 0.41. As at 31 December 2023, our liabilities to assets ratio was 0.38. 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 31 December 2024 and 31 December 2023, the Group had no interest-bearing loan, therefore the gearing ratio is not applicable.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any contingent liabilities (as at 31 December 2023: 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 AND OTHER RISKS

The Group operates in the PRC and Hong Kong. The Group's businesses are principally conducted in RMB and Hong Kong dollars ("HK\$"). Foreign exchange risk arises from a foreign currency deposit account and commercial transactions, recognised assets and liabilities are denominated in HK\$, which is not the functional currency of the Group entities.

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is principally engaged in property management business in Mainland China and Hong Kong Special Administrative Region. The property management industry is closely related to China's macroeconomic development and real estate industry. The Group may be affected by the uncertainties of the aforementioned external environment. In 2024, the property management industry continued the process of transformation and upgrading, and the market competition became more intensified. The Group continued to strengthen its service quality and enhance its competitiveness to minimize the impact of such external risks on the Company's operations.

EMPLOYEES AND WELFARE POLICIES

As at 31 December 2024, the Group had 5,074 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

Ms. Zhao Lu (“**Ms. Zhao**”) tendered her resignation as a non-executive Director and a member of the Audit Committee of the Board of the Company due to change of her work arrangement. Ms. Zhao’s resignation became effective upon election of a new non-executive Director at the extraordinary general meeting held on 10 October 2024 (the “**EGM**”). Resolution in relation to the appointment of Mr. Guo Mingming (“**Mr. Guo**”) as a new non-executive Director was duly passed at the EGM. Following the conclusion of the EGM, Ms. Zhao ceased to serve as a Director and Mr. Guo has become a non-executive Director and a member of the Audit Committee of the Board.

For further details, please refer to the announcements of the Company dated 18 September 2024 and 10 October 2024, respectively, and the circular dated 20 September 2024.

Change in use of proceeds

After careful consideration and detailed assessment of the operation and business strategies of the Group, in order to provide sufficient fund support for continuous market expansion, joint venture and cooperation, investment and merger and acquisition, the Board has decided to change the use of the unutilised portion of the Net Proceeds and update the expected timeline of full utilisation of the Net Proceeds. For further details, please refer to the announcement dated 27 March 2024 of the Company and the paragraph headed “Use of Proceeds from the Listing” above.

Amendments to the Articles of Association

On 27 March 2024, the Company announced the proposed amendments (the “**Proposed Amendments**”) of certain articles of the articles of association of the Company (“**Articles of Association**”) for the purposes of bringing the Articles of Association in line with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Proposed Amendments was approved by the Shareholders at the annual general meeting held on 6 June 2024. For further details, please refer to the announcements of the Company dated 27 March 2024 and 6 June 2024, respectively, and the circular dated 22 April 2024.

Events after the Reporting Period

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 (including treasury shares (as defined under the Listing Rules)) at any time during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

Compliance with the Corporate Governance Code

The Company has adopted and applied the Corporate Governance Code (the “**Corporate Governance Code**”) set out in Part 2 of Appendix C1 of the Listing Rules, which was in force during the year ended 31 December 2024 as its own corporate governance code. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code during the year ended 31 December 2024.

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 C3 to the Listing Rules as the code of conduct and rules governing dealings by all the Directors and supervisors of the Company (the “**Supervisors**”) in the securities of the Company. Having made specific enquiry of all the Directors and Supervisors, they have confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 December 2024.

Audit Committee

The Company has established the audit committee (“**Audit Committee**”) in accordance with Rule 3.21 to 3.23 of the Listing Rules and the Corporate Governance Code, and established written terms of reference in accordance with the Corporate Governance Code. The Audit Committee is authorised by the Board, and is responsible for reviewing and supervising the Group's financial reporting procedures and internal control systems, risk management and internal audit, provide advice to the Board, and perform other duties that the Board may be delegated. The Audit Committee consists of three members, namely Ms. Tong Yan, Mr. Song Baocheng and Mr. Guo Mingming. The chairman of the Audit Committee is Ms. Tong Yan. The Audit Committee has reviewed the audited consolidated financial statements and annual results of the Group for the year ended 31 December 2024, and discussed with the management of the Group the accounting principles and practices adopted by the Group, as well as matters such as internal control and financial report.

Scope of Work of Auditor

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2024 as set forth in this announcement have been reconciled by the Group's auditor, Grant Thornton Hong Kong Limited ("**Grant Thornton Hong Kong**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton Hong Kong on the announcement of results.

Final Dividend

The Board proposed the distribution of a final dividend of RMB0.157 per share (before tax) for the year ended 31 December 2024, with a dividend payout ratio of approximately 50.52%, in cash. The dividend distribution plan shall be subject to the approval of the shareholders of the Company (the "**Shareholders**") at the annual general meeting to be held on Thursday, 5 June 2025 (the "**2024 AGM**") and such dividend is expected to be paid on or before Monday, 4 August 2025. The proposed final dividend will be declared in Renminbi and paid in Hong Kong dollars (for H Shares) and Renminbi (for domestic shares), the exchange rate of which will be calculated based on the average exchange rate of Renminbi against Hong Kong dollars published by the People's Bank of China one calendar week prior to the 2024 AGM.

Dividend Tax

According to the Law on Enterprise Income Tax of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on 1 January 2008 and amended on 24 February 2017 and 29 December 2018, respectively, and its implementing rules, the Notice on the Issues Concerning Withholding and Paying Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold and pay 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise Shareholders whose names appear on the Register of Members of H Shares, i.e. any Shareholders who hold H Shares in the name of non-individual Shareholders, including but not limited to

HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organisations and groups. After receiving dividends, the non-resident enterprises Shareholders may apply to the competent tax authorities for enjoying treatment of tax treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such tax treaties (arrangement). After having verified that there is no error, the competent tax authorities shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant tax treaties (arrangement).

Pursuant to the Notice on the Issues Regarding Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company shall withhold and pay individual income tax for individual holders of H Shares. If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such Shareholders and according to the relevant tax treaties, for the relevant agreed preferential tax treatment, provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Measures on Enjoying Treatment under Tax Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) (《非居民納稅人享受稅收協議待遇管理辦法》(國家稅務總局公告2015年第60號)) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to the approval of the competent tax authorities.

If the individual holders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects.

Notice of the 2024 AGM

The 2024 AGM will be held on Thursday, 5 June 2025. A notice convening the 2024 AGM will be published on both the Stock Exchange's and the Company's websites via (<http://www.hkexnews.hk>) and (<http://www.jrjlife.com>) and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

Closure of Register of Members

For the purpose of determining the Shareholders' eligibility to attend, speak and vote at the 2024 AGM (and any adjourned meeting thereof), the register of members of the Company will be closed from Monday, 2 June 2025 to Thursday, 5 June 2025, both days inclusive, during which period no transfer of the Shares will be registered. In order for the H Shareholders to qualify for attending and voting at the 2024 AGM, all duly completed share transfer forms together with the relevant H Share certificates shall be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 May 2025.

For determining the entitlement to the 2024 proposed final dividend (subject to the approval of the Shareholders at the forthcoming annual general meeting), the register of members of the Company will be closed from Thursday, 19 June 2025 to Monday, 23 June 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the 2024 proposed final dividend, the holders of H Shares whose transfer documents have not been registered are required to deposit all duly completed share transfer forms together with the relevant share certificates to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 18 June 2025.

Public Float

As at the date of this announcement, based on the information publicly available to the Company and to the best knowledge of its Directors, the Company has maintained sufficient public float as required under the Listing Rules.

Publication of the Annual Results Announcement and Annual Report

This announcement can be accessed on both the Stock Exchange's and the Company's websites via (<http://www.hkexnews.hk>) and (<http://www.jrjlife.com>), respectively. The annual report of the Company for the year ended 31 December 2024, which contains all the information required by the Listing Rules, will be despatched to the Shareholders who have provided instructions indicating their intention to receive printed versions of the corporate communications and published on the above websites in due course.

Appreciation

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business partners for their trust and support.

By order of the Board
Financial Street Property Co., Limited
Sun Jie
Chairman

Beijing, the PRC, 27 March 2025

As at the date of this announcement, the Board comprises Mr. Sun Jie, Mr. Song Ronghua and Ms. Xue Rui as executive directors; Ms. Hu Yuxia, Mr. Li Liang and Mr. Guo Mingming as non-executive directors; and Mr. Song Baocheng, Ms. Tong Yan and Ms. Lu Qing as independent non-executive directors.

* *For identification purpose only*