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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 increased by approximately 16.92% to approximately RMB951.38 million from approximately RMB813.69 million for the six months ended 30 June 2024.
- For the six months ended 30 June 2025, the Company's profit for the period was RMB70.13 million, representing a decrease of approximately 1.70% from approximately RMB71.35 million for the six months ended 30 June 2024.
- Profit attributable to the owners of the Company for the six months ended 30 June 2025 was approximately RMB57.61 million, representing a decrease of approximately 9.23% from approximately RMB63.47 million for the six months ended 30 June 2024.
- As at 30 June 2025, the Group's gross floor area ("GFA") under management ("GFA under management") increased by 12.81% to approximately 49.59 million square meters ("sq.m.") from approximately 43.96 million sq.m. as at 30 June 2024.

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 unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2025

		For the six months ended	
		30 June	
		2025	2024
	<i>Notes</i>	RMB’000	RMB’000
		(Unaudited)	(Unaudited)
Revenue	6	951,377	813,694
Cost of sales and services		(822,842)	(685,829)
Gross profit		128,535	127,865
Other income	7	251	928
Other gain/(loss), net	8	6,397	(36)
Administrative expenses		(42,657)	(37,983)
Provision for expected credit loss (“ ECL ”) allowance of trade receivables and other financial assets at amortised cost		(5,837)	(3,805)
Operating profit		86,689	86,969
Finance income	9	8,216	7,786
Finance costs	9	(2,652)	(1,992)
Finance income, net	9	5,564	5,794
Exchange (losses)/gains, net		(2)	3
Share of profit/(loss) from interests in associates, net		26	(726)
Share of profit from interests in joint ventures, net		28	153
Profit before income tax	10	92,305	92,193
Income tax expense	11	(22,171)	(20,848)
Profit for the period		70,134	71,345

		For the six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
Owners of the Company		57,607	63,467
Non-controlling interests (“NCI”)		12,527	7,878
		<u>70,134</u>	<u>71,345</u>
Earnings per share, basic and diluted (RMB)	13	<u>0.154</u>	<u>0.170</u>
Other comprehensive (loss)/income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of retirement benefit obligations		(1)	(112)
Remeasurements of long service payment (“LSP”) obligations		(231)	(262)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange (loss)/gain on translation of financial statements of foreign operations		<u>(1,483)</u>	<u>601</u>
Other comprehensive (loss)/income for the period		<u>(1,715)</u>	<u>227</u>
Total comprehensive income for the period		<u>68,419</u>	<u>71,572</u>
Total comprehensive income attributable to:			
Owners of the Company		56,407	63,592
NCI		12,012	7,980
		<u>68,419</u>	<u>71,572</u>

Condensed Consolidated Statement of Financial Position
As at 30 June 2025

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Investment properties		32,282	30,381
Property, plant and equipment		43,480	52,437
Interests in associates		7,552	7,526
Interests in joint ventures		2,885	2,857
Goodwill		93,618	93,618
Intangible assets		16,973	18,917
Prepayments		4,143	702
Other financial assets at amortised cost	15	68,033	19,291
Deferred tax assets		46,996	42,100
Total non-current assets		315,962	267,829
Current assets			
Note and trade receivables	14	458,032	345,640
Prepayments		19,886	15,403
Other financial assets at amortised cost	15	87,746	61,415
Bank deposits with the maturity over three months		103,633	99,730
Restricted bank deposits		75,167	80,906
Cash and cash equivalents		1,424,365	1,458,578
Total current assets		2,168,829	2,061,672
Total assets		2,484,791	2,329,501
EQUITY AND LIABILITIES			
Share capital	16	373,500	373,500
Reserves		619,636	620,836
Retained earnings		302,492	303,525
Equity attributable to owners of the Company		1,295,628	1,297,861
NCI		80,284	71,212
Total equity		1,375,912	1,369,073

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current liabilities			
Trade and other payables	17	—	26,848
Lease liabilities		83,881	33,935
Deferred tax liabilities		1,204	1,300
Retirement benefit obligations		5,226	5,376
LSP obligations		1,000	754
		<hr/>	<hr/>
Total non-current liabilities		91,311	68,213
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	17	844,895	702,675
Contract liabilities		128,004	131,077
Current tax liabilities		13,915	26,969
Current portion of lease liabilities		30,360	30,991
Current portion of retirement benefit obligations		334	334
Current portion of LSP obligations		60	169
		<hr/>	<hr/>
Total current liabilities		1,017,568	892,215
		<hr/>	<hr/>
Total liabilities		1,108,879	960,428
		<hr/>	<hr/>
Total equity and liabilities		2,484,791	2,329,501
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. General information

Financial Street Property Co., Limited (the “**Company**”) 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 and Hong Kong.

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 29 August 2025.

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 2025 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” as 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 2024, which have been prepared in accordance with the HKFRS Accounting Standards as issued by the HKICPA.

(ii) Application of amendments to HKFRS Accounting Standards

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with the accounting policies adopted in the Group’s annual financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standards effective as of 1 January 2025. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKAS 21	Lack of Exchangeability
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The Directors anticipate that the adoption of the amended HKFRS Accounting Standards 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.

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 2024.

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 2024.

There have been no material changes in the risk management policies of the Group since the year ended 31 December 2024.

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 2025 and 2024, the Group is principally engaged in the provision of property management and related services in the PRC and Hong Kong, 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 2025 and 2024, respectively, under the requirement of HKFRS 8.

6. Revenue

Revenues recognised during the six months ended 30 June 2025 and 2024, respectively, are as follows:

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contract with customers		
Property management and related services		
— recognised on a lump sum basis from property management services	754,157	623,463
— recognised on a commission basis from property management services	11,184	8,505
— community value-added services	153,653	147,446
Catering services	28,295	29,642
	947,289	809,056
Revenue from other sources		
Rental income	4,088	4,638
	951,377	813,694

For the six months ended 30 June 2025, Financial Street Group and its joint ventures and associates (the “**Financial Street Affiliates Group**”) contributed 6% of the Group’s revenue (for the six months ended 30 June 2024: 9%). 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 2025 and 2024, respectively.

Geographical information

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.

	For the six months ended	
	30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
External revenue		
— Mainland China	869,352	755,186
— Hong Kong	82,025	58,508
	951,377	813,694
	For the six months ended	
	30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Additions to non-current segment assets (other than financial instruments and deferred tax assets)		
— Mainland China	9,556	23,644
— Hong Kong	1,177	134
	10,733	23,778

7. Other income

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants (<i>note</i>)	251	867
Recognition of additional deductible input VAT	—	61
	<u>251</u>	<u>928</u>

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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gain on disposal of right-of-use assets	6,413	—
Net losses from derecognition of leases upon early termination	—	(29)
Net losses on disposal of property, plant and equipment	(57)	(82)
Others	41	75
	<u>6,397</u>	<u>(36)</u>

9. Finance income, net

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income on bank deposits	4,302	5,251
Interest income from a fellow subsidiary	2,706	1,997
Interest income on finance leases	1,208	538
	8,216	7,786
Finance costs		
Interest expenses for lease liabilities	(1,960)	(1,378)
Imputed interest expenses from consideration payables related to acquisition of a subsidiary	(644)	(614)
Net interest expense on retirement benefit obligation	(48)	—
	(2,652)	(1,992)
Finance income, net	5,564	5,794

10. Profit before income tax

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

	For the six months ended	
	30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Staff costs — including directors' emoluments		
— Included in cost of sales and services	308,676	275,387
— Included in administrative expenses	25,608	22,228
Cost of cleaning, security and maintenance services	407,861	306,413
Depreciation		
— Property, plant and equipment	12,474	12,571
— Investment properties	4,359	2,752
Amortisation of intangible assets	1,944	1,722
(Reversal of)/Provision for ECL allowance		
— Trade receivables (<i>note 14</i>)	4,095	4,001
— Other financial assets at amortised cost (<i>note 15</i>)	1,742	(196)
Cost of raw material and consumables for catering services	14,509	16,736
Lease charges:		
— Short term leases	3,578	3,800
— Leases of low value items	3,912	3,725
Professional service fee	1,871	2,866
Taxes and surcharges	4,326	3,596
Auditor's remuneration		
— Audit services	521	521
Exchange losses/(gains), net	2	(3)

11. Income tax expense

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
— PRC Corporate Income Tax	25,360	31,494
— Hong Kong Profits Tax	1,804	805
Deferred tax	(4,993)	(11,451)
Total income tax expense	<u>22,171</u>	<u>20,848</u>

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 2024: 25%).

Beijing Yongtaiheng Health Service Co., Ltd., Beijing IZEE 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. and Beijing IZEE Life Services 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 (for the six months ended 30 June 2024: 5%); Financial Street Hongya Property Services (Chongqing) Co., Ltd., Beijing Yijigou Trading Co., Ltd., Shandong Financial Street Property Co., Ltd., Zhijia Operations Management (Guangzhou) Co., Ltd, Luoyang Chengtong Property Service Co., Ltd and Orchard Financial Street (Beijing) Operations Management 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 (for the six months ended 30 June 2024: Nil). Chongqing Jiangbeizui Property Service Co., Ltd. was met the criteria of the preferential income tax policy for the western development and enjoyed a preferential income tax rate of 15% as approved by the local tax authority (for the six months ended 30 June 2024: Nil).

Hong Kong profits tax

The provision for Hong Kong Profits Tax for the six months ended 30 June 2025 is calculated at 16.5% of the estimated assessable profits for the period, 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%.

12. Dividends

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Final dividends declared by the Company	<u>58,640</u>	<u>64,616</u>

In the Board meeting of the Company on 27 March 2025, the Board proposed a dividend of RMB58,640,000 which represented the Company's accumulated distributable retained earnings as at 31 December 2024. The proposed dividend was then approved in the shareholders' general meeting on 5 June 2025.

The board of directors of the Company has resolved not to declare an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 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 period.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (<i>RMB'000</i>)	57,607	63,467
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>373,500</u>	<u>373,500</u>
Basic earnings per share (<i>RMB</i>)	<u>0.154</u>	<u>0.170</u>

(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 2025 and 2024, respectively.

14. Note and trade receivables

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables		
— related parties	112,848	110,745
— third parties	<u>380,002</u>	<u>268,406</u>
	492,850	379,151
Less: ECL allowance of trade receivables	<u>(37,350)</u>	<u>(33,511)</u>
Trade receivables, net	<u>455,500</u>	<u>345,640</u>
Note receivables	<u>2,532</u>	<u>—</u>
Note and trade receivables, net	<u><u>458,032</u></u>	<u><u>345,640</u></u>

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.

All note receivables of the Group are commercial's acceptance bills and usually collected within 12 months from the date of issue.

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 2025 and 31 December 2024 based on the invoice date is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 1 year	396,983	284,855
1–2 years	38,124	42,528
2–3 years	39,594	35,028
Over 3 years	<u>18,149</u>	<u>16,740</u>
Total	<u><u>492,850</u></u>	<u><u>379,151</u></u>

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

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Balance at 1 January	33,511	21,126
ECL allowance recognised during the period	4,095	4,001
Amount written off during the period	(256)	—
	<u>37,350</u>	<u>25,127</u>
Balance at 30 June	<u>37,350</u>	<u>25,127</u>

15. Other financial assets at amortised cost

	As at 30 June 2025			As at 31 December 2024		
	Current	Non-current	Total	Current	Non-current	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Finance lease receivables	7,192	69,906	77,098	7,917	9,054	16,971
Payments on behalf of property owners, tenants and property developers	26,390	—	26,390	19,883	—	19,883
Deposits						
— Related parties	4,767	—	4,767	4,475	—	4,475
— Third parties	37,277	—	37,277	27,986	—	27,986
Amount due from an NCI	10,487	—	10,487	—	10,649	10,649
Other	3,074	—	3,074	2,314	—	2,314
	<u>89,187</u>	<u>69,906</u>	<u>159,093</u>	<u>62,575</u>	<u>19,703</u>	<u>82,278</u>
Less: ECL allowance	(1,441)	(1,873)	(3,314)	(1,160)	(412)	(1,572)
	<u>87,746</u>	<u>68,033</u>	<u>155,779</u>	<u>61,415</u>	<u>19,291</u>	<u>80,706</u>

The amount due from an NCI was secured by the retained consideration payables to the NCI, interest free and repayable by 2025.

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.

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

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 1 year	9,878	8,339
1–2 years	14,333	5,887
2–3 years	9,043	3,434
Over 3 years	57,043	—
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Total undiscounted lease payments receivable	90,297	17,660
Unearned finance income	(13,199)	(689)
	<hr/>	<hr/>
Present value of finance lease receivables	77,098	16,971
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The movement in the ECL allowance is as follows:

	For the six months ended 30 June 2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Balance as at 1 January	1,572	1,686
ECL allowance recognised/(reversed) during the period	1,742	(196)
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Balance as at 30 June	3,314	1,490
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16. Share capital

	For the six months ended 30 June 2025 (Unaudited)		For the six months ended 30 June 2024 (Unaudited)	
	<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 30 June	<u>373,500</u>	<u>373,500</u>	<u>373,500</u>	<u>373,500</u>

17. Trade and other payables

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables (<i>note a</i>)	<u>289,140</u>	<u>245,065</u>
Other payables		
— Receipts on behalf of property owners, tenants and property developers	205,571	216,446
— Deposits (<i>note b</i>)	108,927	98,764
— Accruals	1,063	3,333
— Others	10,789	5,180
Payroll and welfare payables	111,993	102,240
Consideration payables related to acquisition of a subsidiary (<i>note c</i>)	27,492	26,848
Dividend payables	80,477	21,837
Other tax payables	<u>9,443</u>	<u>9,810</u>
	844,895	729,523
Less: non-current portion		
Consideration payables related to acquisition of a subsidiary (<i>note c</i>)	<u>—</u>	<u>(26,848)</u>
Current portion	<u>844,895</u>	<u>702,675</u>

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 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	271,176	228,868
1–2 years	8,030	10,850
Over 2 years	9,934	5,347
	289,140	245,065

- (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 fair value of contingent consideration payable to the existing shareholder of a subsidiary acquired during the year ended 31 December 2024. The consideration is payable subject to the subsidiary achieving certain performance targets and will be settled by 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

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 31 years since 1994, and has expanded its 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.

In the first half of 2025, adhering to the operational development strategy of “Quality First, Focus on Core Business Focus and Deepen Advantages”, the Group continued to expand and consolidate its market presence in first-tier and second-tier cities as well as key regions by further strengthening its competitive edge in commercial office and public construction sectors and expanding into several representative projects, including office buildings, government authorities, schools, and cultural and sports venues. As of 30 June 2025, the GFA under management of the Group amounted to approximately 49.59 million sq.m., representing a year-on-year growth of 12.8%. The number of projects under management was 391, representing a year-on-year increase of 65 projects. In particular, the GFA under the management from non-residential sector amounted to approximately 28.49 million sq.m., accounted for approximately 57.4%. For the increased GFA under management in the first half of the year, 90.7% of which were from independent third-party.

The key new projects obtained by the Group in the first half of 2025 are summarised as follows:

- (i) China Development Bank Huairou Party School and Disaster Recovery Center Project (國家開發銀行懷柔黨校及災備中心項目). The project is located in Huairou District, Beijing. The Group provides comprehensive property management services and forest safety management for it.
- (ii) State Academy of Forestry Administration (國家林業和草原局管理幹部學院). The project is located in Daxing District, Beijing. The Group provides comprehensive property management services for its main office building, library and campus areas.
- (iii) People’s Liberation Army Navy’s museum (中國人民解放軍海軍博物館). The project is the only military museum in China dedicated to the development of the Chinese Navy and is located in Qingdao, Shandong Province. The Group provides comprehensive property management services for it.

- (iv) ICBC Huai'an Branch (中國工商銀行淮安分行). The project is located in Huai'an, Jiangsu Province. The Group provides comprehensive property management services for it.
- (v) Hong Kong Fortune Garden Project (香港富寶花園項目). The project is located in the Hong Kong Special Administrative Region, comprising 12 buildings with 4,200 units. The Group provides security services for it.

PROPERTY MANAGEMENT AND RELATED SERVICES

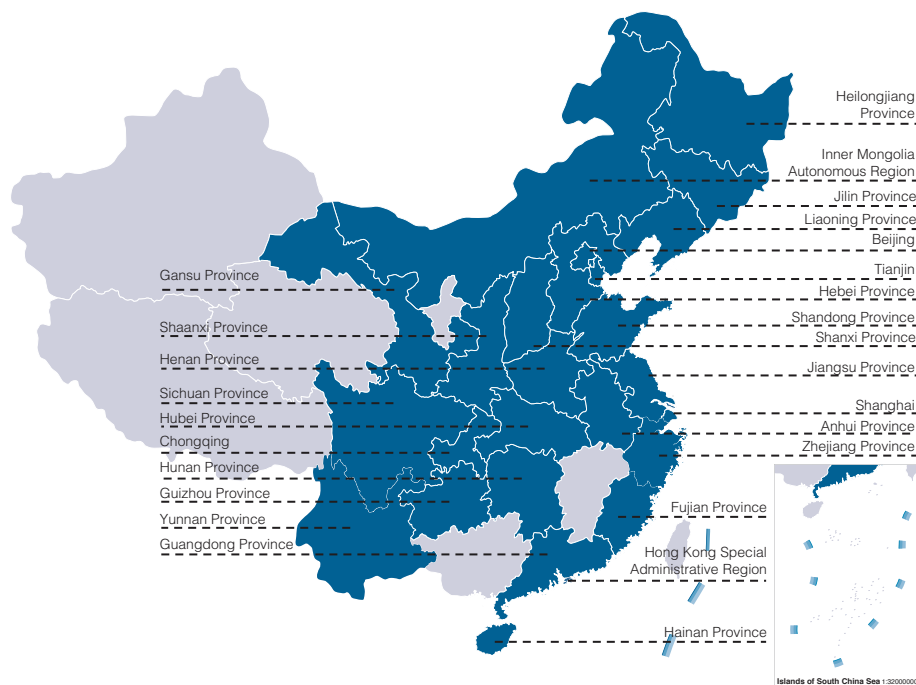
As at 30 June 2025, the Group's property management and related services covered 26 provinces, municipalities, autonomous regions and special administrative regions across seven regions in China (including Northern China, Southwestern China, Eastern China, Southern China, Northeastern China, Central China and Northwestern China), with a total GFA under management of approximately 49.59 million sq.m. and a total of 391 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 30 June 2025	As at 30 June 2024
Contracted GFA ('000 sq.m.)	50,892	45,912
GFA under management ('000 sq.m.)	49,586	43,956
Number of properties under management	<u>391</u>	<u>326</u>

Geographic Coverage

The following map shows the geographic coverage of the properties under management of the Group as at 30 June 2025:



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 2025		As at 30 June 2024	
	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	20,656	172	17,325	149
Southwestern China	6,932	37	6,383	30
Eastern China	7,339	48	6,690	42
Southern China	9,474	105	9,291	85
Northeastern China	2,020	14	1,733	10
Central China	1,566	9	1,843	7
Northwestern China	1,599	6	691	3
Total	<u>49,586</u>	<u>391</u>	<u>43,956</u>	<u>326</u>

Notes:

- (i) Northern China includes Beijing, Tianjin, Hebei Province, Inner Mongolia Autonomous Region and Shanxi Province
- (ii) Southwestern China includes Chongqing, Sichuan Province, Guizhou Province and Yunnan Province
- (ii) Eastern China includes Shanghai, Jiangsu Province, Zhejiang Province, Shandong Province and Anhui Province
- (iv) Southern China includes Guangdong Province, Fujian Province, Hainan Province and Hong Kong Special Administrative Region
- (v) Northeastern China includes Heilongjiang Province, Jilin Province and Liaoning Province
- (vi) Central China includes Hubei Province, Henan Province and Hunan Province
- (vii) Northwestern China 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 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 2025			As at 30 June 2024		
	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	461	0.9	9	376	0.9	5
Office buildings	8,319	16.8	77	8,419	19.2	78
Complexes	1,200	2.4	5	1,200	2.7	5
Residential properties	21,100	42.6	150	18,582	42.3	132
Public properties, hospitals, educational properties and others	18,506	37.3	150	15,379	35.0	106
Total	49,586	100	391	43,956	100	326

Note: Percentage may not add up to 100% 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 2025		As at 30 June 2024	
	GFA under management (’000 sq.m.)	Percentage (%)	GFA under management (’000 sq.m.)	Percentage (%)
Property management services (lump-sum basis)	45,143	91.0	39,875	90.7
Property management services (commission basis)	4,443	9.0	4,081	9.3
Total	49,586	100	43,956	100

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 2025, the GFA of the properties developed by the Financial Street Affiliates Group under the management of the Group was approximately 20.98 million sq.m., with the number of projects increased from 136 as at 30 June 2024 to 141 as at 30 June 2025. Meanwhile, the Group continued to expand its independent third party business and managed properties developed by independent third parties encompassing an approximate GFA of 28.61 million sq.m. as at 30 June 2025, representing a year-on-year growth of 19.8%, and the number of projects also further increased to 250 from 190 as at 30 June 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 30 June 2025			As at 30 June 2024		
	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	20,976	42.3	141	20,066	45.7	136
Properties developed by independent third parties	28,610	57.7	250	23,890	54.3	190
Total	<u>49,586</u>	<u>100</u>	<u>391</u>	<u>43,956</u>	<u>100</u>	<u>326</u>

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. A self-owned value added service brand, namely “IZEE” (怡己) have been established, covering property brokerage, lifestyle services and business support facilities. The Group have built up and continued to enhance “Financial Street Property Living Online” platform to realise offerings of intelligence operation and value-added services, strengthen touchpoints for value-added services and reinforce the linkage of property services with value-added services. By focusing on customers’ diversified derivative needs, the Group consistently innovated the service portfolio to enhance customer retention.

Future Prospects

The Group remains steadfast in its service-oriented approach, continuously consolidating and deepening its core competencies in the commercial office and public building sectors. The Group will further focus on key urban clusters in first-tier and second-tier cities while intensifying market expansion. Concurrently, the Group will further enhance service quality through refined operations, higher standards and process optimization, thereby genuinely improving customer satisfaction and recognition to solidify the development foundation. Furthermore, by addressing customers’ diversified and in-depth needs, the Group will explore and develop a distinctive value-added service system with unique competitive advantages tailored to commercial property, thereby enhancing overall competitiveness and driving the enterprise’s healthy and stable long-term development.

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 16.92% from approximately RMB813.69 million for the six months ended 30 June 2024 to approximately RMB951.38 million for the six months ended 30 June 2025.

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

	Six months ended 30 June					
	2025		2024		Changes	
	<i>RMB'000</i>	<i>Percentage (%)</i>	<i>RMB'000</i>	<i>Percentage (%)</i>	<i>RMB'000</i>	<i>Rate of change</i>
Property management and related services:						
Property management services	765,341	80.45%	631,968	77.67%	133,373	21.10%
Value-added services	153,653	16.15%	147,446	18.12%	6,207	4.21%
Rental services	4,088	0.43%	4,638	0.57%	(550)	(11.86)%
Catering services	28,295	2.97%	29,642	3.64%	(1,347)	(4.54)%
Total	951,377	100%	813,694	100%	137,683	16.92%

- 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 RMB784.05 million for the six months ended 30 June 2024 to approximately RMB923.08 million for the six months ended 30 June 2025, representing an increase of approximately 17.73%. There has been a growth in the revenue for both property management and related services as a result of the increase in projects under management.
- Revenue generated from our catering services: our revenue from catering services decreased from approximately RMB29.64 million for the six months ended 30 June 2024 to approximately RMB28.30 million for the six months ended 30 June 2025, which was attributable to our optimisation and adjustment made to the business model of catering services.

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 approximately 19.98% from approximately RMB685.83 million for the six months ended 30 June 2024 to approximately RMB822.84 million for the six months ended 30 June 2025. The increase in cost was in line with the expansion of business.

Gross Profit and Gross Profit Margin

The overall gross profit of the Group increased by approximately 0.52% from approximately RMB127.87 million for the six months ended 30 June 2024 to approximately RMB128.54 million for the six months ended 30 June 2025. The overall gross profit margin of the Group for the six months ended 30 June 2025 was approximately 13.51%, representing a decrease as compared to the overall gross profit margin of 15.71% for the six months ended 30 June 2024. Revenue growth has sustained, while gross profit margin was under persistent pressure due to market condition and increasing pressure from the intensified competition. The table below sets forth the Group's gross profit and gross profit margin by type of service for the periods indicated:

	2025		Six months ended 30 June 2024		Changes	
	Gross Profit RMB'000	Gross Profit Margin (%)	Gross Profit RMB'000	Gross Profit Margin (%)	Amount RMB'000	Gross Profit Margin (%)
Property management and related services:						
Commercial and business properties	94,127	21.00	96,162	22.57	(2,035)	(1.57)
Non-commercial properties	34,731	7.31	34,065	9.52	666	(2.21)
Catering services	<u>(323)</u>	<u>(1.14)</u>	<u>(2,362)</u>	<u>(7.97)</u>	<u>2,039</u>	<u>6.83</u>
Total	<u>128,535</u>	<u>13.51</u>	<u>127,865</u>	<u>15.71</u>	<u>670</u>	<u>(2.20)</u>

Administrative Expenses

Administrative expenses of the Group increased by approximately 12.32% from approximately RMB37.98 million for the six months ended 30 June 2024 to approximately RMB42.66 million for the six months ended 30 June 2025. The increase in administrative expenses was in line with the expansion of business scale.

Income Tax Expense

Income tax expense of the Group increased from approximately RMB20.85 million for the six months ended 30 June 2024 to approximately RMB22.17 million for the six months ended 30 June 2025. Total profit remained relatively stable. Due to the combined impact of different applicable tax rates and tax adjustment matters across companies, income tax expenses increased slightly.

Profit for the Reporting Period

Profit of the Group decreased by approximately 1.71% from approximately RMB71.35 million for the six months ended 30 June 2024 to approximately RMB70.13 million for the six months ended 30 June 2025. Affected by the market environment, level of profit decreased as a result of the continuous increase in costs and a decline in gross profit margin.

Total Comprehensive Income for the Reporting Period

Total comprehensive income of the Group decreased from approximately RMB71.57 million for the six months ended 30 June 2024 to approximately RMB68.42 million for the six months ended 30 June 2025, representing a decrease of approximately 4.40%. The change was due to the exchange loss in the translation difference of foreign currency statements.

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

As at 30 June 2025, the Group's cash and bank balances were approximately RMB1,603.17 million, representing a decrease of approximately RMB36.04 million from approximately RMB1,639.21 million as at 31 December 2024.

The Group's financial situation remains stable. The net current assets of the Group were approximately RMB1,151.26 million as at 30 June 2025, which remained stable as compared with approximately RMB1,169.46 million as at 31 December 2024. As at 30 June 2025, the Group's current ratio (current assets/current liabilities) was approximately 2.13 times (as at 31 December 2024: approximately 2.31 times).

As at 30 June 2025, the Group did not have any borrowings (as at 31 December 2024: nil).

NOTE AND TRADE RECEIVABLES AND OTHER FINANCIAL ASSETS AT AMORTISED COST

Note and trade receivables mainly arise from property management and related services. Note and trade receivables of the Group increased by 32.52% from approximately RMB345.64 million as at 31 December 2024 to approximately RMB458.03 million as at 30 June 2025, 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 not yet due for payment.

Other financial assets at amortised cost mainly include finance lease receivables, payments and deposits paid on behalf of owners, tenants and property developers and amount due from an non-controlling interests. Total other financial assets at amortised cost of the Group increased by approximately RMB75.07 million from approximately RMB80.71 million as at 31 December 2024 to approximately RMB155.78 million as at 30 June 2025, primarily attributable to finance lease receivables arising from undertaking asset operation business.

TRADE AND OTHER PAYABLES

Trade payables mainly represent amount payable to suppliers and subcontractors, including for purchase of materials. As at 30 June 2025, the balance of trade payables of the Group amounted to approximately RMB289.14 million, representing an increase of approximately 17.98% as compared with approximately RMB245.07 million as at 31 December 2024, which was mainly due to expansion of business scale.

Payroll and welfare payables mainly refer to salary and insurance. As at 30 June 2025, the payroll and welfare payables of the Group were approximately RMB111.99 million, representing an increase of 9.54% as compared with approximately RMB102.24 million as at 31 December 2024, 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 increased by approximately 0.81% from approximately RMB323.72 million as at 31 December 2024 to approximately RMB326.35 million as at 30 June 2025, primarily due to normal business fluctuations.

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 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 (the “**Global Offering**”). 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 30 June 2025, such Net Proceeds were utilised in accordance with the allocation method proposed 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 30 June 2025 is as follows:

	Utilisation of the Net Proceeds after the Reallocation <i>RMB million</i>	Actual use of Net Proceeds up to 30 June 2025 <i>RMB million</i>	Utilised Net Proceeds during the Reporting Period <i>RMB million</i>	Unutilised Net Proceeds as at 30 June 2025 <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	142.89	0.16	374.98	on or before 31 December 2026
Developing the Group's value-added services business	49.12	40.63	—	8.49	on or before 31 December 2026
Establishing and upgrading IT and intelligent facilities systems	16.53	7.97	0.33	8.56	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>191.49</u>	<u>0.49</u>	<u>456.87</u>	

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 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 30 June 2025, none of the assets of the Group were pledged (as at 31 December 2024: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

For the six months ended 30 June 2025, the Group did not have any material acquisitions or disposals of assets.

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

For the six months ended 30 June 2025, the Group did not have and has no 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 2025, our liabilities to assets ratio was 0.45. As at 31 December 2024, our liabilities to assets ratio was 0.41. 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 2025 and 31 December 2024, the Group had no interest-bearing loan, therefore the gearing ratio does not apply.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any contingent liabilities (as at 31 December 2024: 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, which are denominated in HK\$ that 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. During the Reporting Period, 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 30 June 2025, the Group had 5,283 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

Changes of composition of the Board

Ms. Lyu Min has been elected as the employee representative Director of the Company with effect from the annual general meeting held on 5 June 2025 (the "AGM"). Ms. Xue Rui, Ms. Hu Yuxia and Mr. Li Liang retired as Directors following the conclusion of the AGM. Resolutions in relation to the re-election of Mr. Sun Jie and Mr. Song Ronghua as executive Directors, Mr. Guo Mingming as non-executive Directors, Mr. Song Baocheng, Ms. Tong Yan and Ms. Lu Qing as independent non-executive Directors and the appointment of Mr. Meng Chunying and Mr. Han Fengxiang as non-executive Directors were duly passed at the AGM. Following the conclusion of the AGM, the third session of the Board consisted of the following members:

Mr. Sun Jie (executive Director), Mr. Song Ronghua (executive Director), Mr. Meng Chunying (non-executive Director), Mr. Han Fengxiang (non-executive Director), Mr. Guo Mingming (non-executive Director), Mr. Song Baocheng (independent non-executive Director), Ms. Tong Yan (independent non-executive Director), Ms. Lu Qing (independent non-executive Director) and Ms. Lyu Min (employee representative Director).

For further details, please refer to the announcements of the Company dated 14 April 2025, 13 May 2025 and 5 June 2025, respectively, and the circular of the Company dated 23 April 2025.

Amendments to the Articles of Association

On 14 April 2025, the Company announced the proposed amendments (the “**Proposed Amendments**”) of certain articles of the articles of association of the Company (the “**Articles of Association**”). The Proposed Amendments was approved by the shareholders at the AGM held on 5 June 2025.

For further details, please refer to the announcements of the Company dated 14 April 2025 and 5 June 2025, respectively, and the circular of the Company dated 23 April 2025.

Change of Joint Company Secretary

Mr. Chen Xi has tendered his resignation as the joint company secretary of the Company (the “**Joint Company Secretary**”) with effect from 5 June 2025 and Ms. Zhang Jing has been appointed as the Joint Company Secretary on the same day. Ms. Ho Wing Nga remains as the other Joint Company Secretary. For further details, please refer to the announcement of the Company dated 5 June 2025.

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 sale of treasury shares (as defined under the Listing Rules)) at any time during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

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 C1 to the Listing Rules.

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 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 period from 1 January 2025 and up to the date of his/her retirement as supervisors (as the case may be) or 30 June 2025 (as the case may be).

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), Mr. Guo Mingming (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 2025. 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 2025 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 2025 (for the six months ended 30 June 2024: nil).

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This announcement can be accessed on both the Stock Exchange’s and the Company’s website via (<http://www.hkexnews.hk>) and (<http://www.jrjlife.com>). The interim report of the Company for the six months ended 30 June 2025, which contains all the information required by the applicable Listing Rules, will be dispatched to the shareholders who have already provided instructions indicating their preference to receive the corporate communications in printed form 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, 29 August 2025

As at the date of this announcement, members of the Board comprises Mr. Sun Jie and Mr. Song Ronghua as executive Directors, Mr. Meng Chunying, Mr. Han Fengxiang and Mr. Guo Mingming as non-executive Directors, Mr. Song Baocheng, Ms. Tong Yan and Ms. Lu Qing as independent non-executive Directors, and Ms. Lyu Min as employee representative Directors.