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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)

DISCLOSEABLE, MAJOR AND CONTINUING CONNECTED TRANSACTIONS RENEWAL OF: (1) 2026 LEASING FRAMEWORK AGREEMENT; (2) 2026 PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT; AND (3) 2026 DEPOSIT SERVICE FRAMEWORK AGREEMENT

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

FIRST

BACKGROUND

References are made to the announcement of the Company dated 11 November 2022 and the circular of the Company dated 21 December 2022 in relation to the entering into of: (i) the Leasing Framework Agreement for a term from 1 January 2023 to 31 December 2025; (ii) the Property Management Services Framework Agreement for a term from 1 January 2023 to 31 December 2025; and (iii) the Deposit Service Framework Agreement for a term from 1 January 2023 to 31 December 2025.

The Board announces that on 1 December 2025 (after trading hours), the Company has entered into: (i) the 2026 Leasing Framework Agreement with Financial Street Group for a term from 1 January 2026 to 31 December 2028 to renew the Leasing Framework Agreement; (ii) the 2026 Property Management Services Framework Agreement with Financial Street Group for a term from 1 January 2026 to 31 December 2028 to renew the Property Management Services Framework Agreement; and (iii) the 2026 Deposit Service Framework Agreement with FS Finance for a term from 1 January 2026 to 31 December 2028 to renew the Deposit Service Framework Agreement.

It is proposed that: (i) the Lease Annual Caps for each of the three years ending 31 December 2028 under the 2026 Leasing Framework Agreement will be RMB70.68 million, RMB80.55 million and RMB89.95 million in relation to the right-of-use assets (for leases with the lease term exceeding one year); and RMB14.40 million, RMB14.54 million and RMB16.23 million in relation to other payments (including rent for those leases of which the lease term is no more than one year), respectively; (ii) the Property Management Services Annual Caps for each of the three years ending 31 December 2028 under the 2026 Property Management Services Framework Agreement will be RMB347.70 million, RMB386.32 million and RMB452.54 million, respectively; and (iii) the Deposit Service Annual Caps for each of the three years ending 31 December 2028 under the 2026 Deposit Service Framework Agreement will be RMB1,000 million, RMB1,060 million and RMB1,120 million being the maximum daily balance of deposits that may be placed by the Group with FS Finance and RMB15.12 million, RMB16.02 million and RMB16.93 million, being the maximum interest income to be obtained by the Group from FS Finance.

LISTING RULES IMPLICATION

Continuing connected transactions implications

As at the date of this announcement, Financial Street Group was interested in an aggregate of 34.35% of the total issued share capital of the Company, hence Financial Street Group is a controlling shareholder and thus a connected person of the Company. FS Finance is a wholly-owned subsidiary of Financial Street Group, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Non-exempt transactions

As the highest applicable percentage ratio in respect of: (i) the Lease Annual Caps (for both right-of-use assets and other payments); (ii) the Property Management Services Annual Caps and (iii) the Deposit Service Annual Caps exceed 5%, the transactions contemplated under the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement constitute continuing connected transactions of the Company which are subject to announcement, reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Notifiable transactions implications

Discloseable transactions

As one or more of the applicable percentage ratios in respect of Lease Annual Caps (for both right-of-use assets and other payments) exceed 5% but less than 25%, the transactions contemplated under the 2026 Leasing Framework Agreement also constitute discloseable transactions of the Company which are subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

Major transactions

As one or more of the applicable percentage ratio in respect of Deposit Service Annual Caps exceed 25%, the transactions contemplated under the 2026 Deposit Service Framework Agreement also constitute major transactions of the Company which are subject to announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The Company will convene EGM for the Independent Shareholders to consider and, if thought fit, approve the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement and the transactions contemplated thereunder.

An Independent Board Committee, comprising all independent non-executive Directors, will consider the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the relevant resolution regarding the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement and the transactions contemplated thereunder. First Global has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Renewal of Connected Transactions Framework Agreements.

At the EGM, resolutions will be proposed by the Company to seek the Independent Shareholders' approval on the Renewal of Connected Transactions Framework Agreements. Huarong Zonghe, a wholly-owned subsidiary of Financial Street Group holding 34.35% of the issued share capital of the Company as of the date of this announcement will abstain from voting for the resolutions regarding the Renewal of Connected Transactions Framework Agreements at the EGM. The proposed resolutions will be passed by way of ordinary resolutions and voted on by way of poll in accordance with the requirement of the Listing Rules and Articles of Association of the Company.

A circular containing, among others things, (i) further details about the Renewal of Connected Transactions Framework Agreements; (ii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee; (iv) other information as required under the Listing Rules; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 15 December 2025.

BACKGROUND

References are made to the announcement of the Company dated 11 November 2022 and the circular of the Company dated 21 December 2022 in relation to the entering into of: (i) the Leasing Framework Agreement for a term from 1 January 2023 to 31 December 2025; (ii) the Property Management Services Framework Agreement for a term from 1 January 2023 to 31 December 2025; and (iii) the Deposit Service Framework Agreement for a term from 1 January 2023 to 31 December 2025.

The Board announces that on 1 December 2025 (after trading hours), the Company has entered into: (i) the 2026 Leasing Framework Agreement with Financial Street Group for a term from 1 January 2026 to 31 December 2028 to renew the Leasing Framework Agreement; (ii) the 2026 Property Management Services Framework Agreement with Financial Street Group for a term from 1 January 2026 to 31 December 2028 to renew the Property Management Services Framework Agreement; and (iii) the 2026 Deposit Service Framework Agreement with FS Finance for a term from 1 January 2026 to 31 December 2028 to renew the Deposit Service Framework Agreement.

2026 LEASING FRAMEWORK AGREEMENT

The principal terms of the 2026 Leasing Framework Agreement are set out below:

Date:	1 December 2025 (after trading hours)
Parties:	(i) the Company; and
	(ii) Financial Street Group
Term:	1 January 2026 to 31 December 2028

Subject matter:	Pursuant to the 2026 Leasing Framework Agreement, the Company will lease the real property (currently consisting of office properties, operating properties and carparks, etc.) held or operated by Financial Street Group and its associate(s). The Company will lease (i) the office properties as, amongst others, the Company's office and warehouse; (ii) the operating properties for operation of catering, retail and other businesses of the Company; and (iii) carparks for subleases to third parties. The related subsidiaries and associates of both parties shall enter into separate leasing agreements, and such agreements shall contain specific terms and conditions. Under the same condition, the terms of these leasing agreement shall be equivalent to the terms offered by Financial Street Group to other independent third parties. If the terms of these leasing agreements contravene with the terms of the 2026 Leasing Framework Agreement, the terms of the 2026 Leasing Framework Agreement shall prevail.
Pricing policy:	The rent payable by the Group pursuant to the 2026 Leasing Framework Agreement shall be determined after arm's length negotiations taking into account the prevailing market rentals of properties of similar nature located in similar areas with reference to the rent payable by Independent Third Parties to Financial Street Group.

In order to ensure that the rent payable by the Group are in line with the pricing policy and are fair and reasonable, the business department of the Group will be responsible for liaising the commercial terms, etc. of the leasing agreements with Financial Street Group. Furthermore, it will assess the necessity and fairness of the leasing agreement to be entered into with Financial Street Group. In assessing the fairness of the leasing agreement, the business department of the Group will take into account not less than three rental payment reference quotations (the "**Reference Prices**") obtained, subject to the availability, from: (i) the rental information readily available in the market from websites of property agents; (ii) market research and analysis conducted by the Company or professionals engaged by the Company in respect of rent, location, current condition, lease term, environment, supporting facilities and services of the property; or (iii) the prevailing market rents of leasing agreements previously entered into between the Group and other third parties of properties of similar nature and quality located in similar areas. The business department of the Group will ensure the rent payable by the Group will not be higher than the average of the Reference Prices. The Group will not enter into the leasing agreement with Financial Street Group if the business department is of the view that such leasing agreement is not in line with the pricing policy and is not fair and reasonable.

Condition precedent: The terms of the 2026 Leasing Framework Agreement are subject to the Company having obtained any approval or notice as required by the Listing Rules or other applicable laws (including without limitation the approval of the Independent Shareholders at the EGM).

Existing annual caps and historical transaction amounts

The following table sets out the existing annual caps and the historical transaction amounts for the lease of properties payable by the Group to Financial Street Group and its associates:

	For the year ended 31 December		
	2023	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*
Existing annual caps			
Right-of-use assets (for those lease of which the lease term exceeds one year)	69.7	86.7	100.7
Other payments (including rent for those leases of which the lease term is no more than one year)	22.0	34.0	49.7

	For the year ended 31 December		For the six months ended 30 June
	2023	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*
The historical transaction amounts			
Right-of-use assets (for those lease of which the lease term exceeds one year)	12.77	32.11	3.91[1]
% to existing annual caps	18.32%	37.04%	3.88%
Other payments (including rent for those leases of which the lease term is no more than one year)	4.16	4.59	1.40[1]
% to existing annual caps	18.91%	13.50%	2.82%

Note:

1. The figures represents the right-of-use assets and rental expenses for the six months ended 30 June 2025 based on the Company's management accounts and was an estimation only.

Proposed Lease Annual Caps and basis of determination

The following table sets out the Lease Annual Caps for the three years ending 31 December 2028 under the 2026 Leasing Framework Agreement:

	For the year ending 31 December		
	2026	**2027**	**2028**
	(RMB million)	*(RMB million)*	*(RMB million)*
Right-of-use assets (for those lease of which the lease term exceeds one year)	70.68	80.55	89.95
Other payments (including rent for those leases of which the lease term is no more than one year)	14.40	14.54	16.23

Note:

Different accounting treatments apply to different components of payments by the Group under the Leasing Framework Agreement and the 2026 Leasing Framework Agreement ("**these Leasing Framework Agreements**") in accordance with the HKFRSs applicable to the Group.

Under HKFRS 16, the Group as the lessee shall recognise leases for a term of more than one year as right-of-use assets and lease liabilities. The right-of-use assets represent its rights to use the underlying leased asset over the lease term and the lease liabilities represent its obligations to make lease payments (i.e. the rental payment). The assets and the liabilities arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under these Leasing Framework Agreements, using the incremental borrowing rate as the discount rate. Under HKFRS 16 and in the consolidated statement of comprehensive income of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use asset, and (ii) interest expenses amortised from the lease liability over the lease term. In accordance with the Listing Rules, the Company is required to set caps on the total value of right-of-use assets relating to the above leases.

Other amounts payable by the Group as lessee (including rent for those leases for a term of no more than one year) will be recorded as expenses by the Company over the remainder of term of the lease and separate caps will be set in accordance with the Listing Rules.

The Lease Annual Caps have been determined with reference to, among other things, the following factors:

(i) the historical value of the Group's right-of-use assets under the Leasing Framework Agreement, initially measured at the present value of lease payments discounted using the Group's incremental borrowing rate. Due to macroeconomic challenges during 2023 to 2025, the Group adopted a more conservative operational strategy, leading to a lower-than-expected number of leased properties and a low utilisation rate of the existing annual caps. Looking ahead to 2026 to 2028, the Group anticipates a gradual recovery in market conditions and an increase in leasing demand for retail and carpark spaces given the PRC government has repeatedly

emphasized the importance of expanding domestic demand, promoting consumption, and increasing residents' income at various large-scale conferences, and has introduced corresponding policies, which the Group believes will bring about (i) expansion of scale of the Group's current retail and catering businesses, and thus giving rise to increases in demand for leasing business premises; and (ii) improvement of income expectations and consumption concepts, and thus giving rise to structural business opportunities in the operation of carpark spaces for residential, office, and commercial properties. Given the aforementioned anticipation, the Company plans to expand the scale of its catering, retail and carpark businesses, which will require leasing more properties for operation that forms part of the proposed lease annual caps.

Retail business is one of the value-added services under property management and related services of the Company. Retail business focuses on service innovation and community business model practice, revolves around the core needs of property owners and customers, connects supply chain resources, and provides, amongst others, various food, daily necessities, and administrative office supplies to property owners and customers through offline exhibitions, markets, stores and other channels. In the future, as regards retail business, the Company will further expand its offline service matrix, broaden its sales channels, and provide this value-added service to more property owners and customers.

The Company has officially launched property agency business in 2025, and will launch asset operation business in a timely manner in the future. It will have leasing demand for asset operation business such as offices, shops, and ordinary residences for customers, and therefore will create a buffer for the expansion of the property agency business and maintain the Lease Annual Cap at a level that is slightly lower than the previous annual cap.

(ii) it is expected that existing leases with the Financial Street Group and its associates will be renewed on substantially similar terms. Among these, 19 long-term leases (more than one year) will be renewed. The estimated value of right-of-use assets for the years ending 31 December 2026, 2027 and 2028 is approximately RMB18.6 million, RMB35.9 million and RMB17.5 million, respectively. 10 short-term leases (no more than one year) will be renewed. The rental expenses for the years ending 31 December 2026, 2027 and 2028 is approximately RMB8.7 million, RMB8.8 million and RMB10.5 million, respectively;

(iii) the expected increase in the right-of-use assets of 14 long-term (more than one year) carpark leases and the rental payments for 2 short-term (no more than one year) carpark leases to be entered into by the Group and Financial Street Group and its associates depending on the business development needs of the Group for the three years ending 31 December 2028, resulting in an estimated increase in the right-of-use assets of approximately RMB17.8 million, RMB40.7 million and RMB49.3 million

for the three years ending 31 December 2026, 2027 and 2028, respectively, and an estimated increase in the rental expenses of approximately RMB5.7 million, RMB5.7 million and RMB5.7 million, respectively; and

(iv) the expected increase in the right-of-use assets of 7 long-term (more than one year) asset leases (for conducting asset operation and catering business) to be entered into between the Group and Financial Street Group and its associates for the three years ending 31 December 2028, resulting in an increase in the right-of-use assets of approximately RMB34.2 million, RMB3.9 million and RMB23.1 million for the three years ending 31 December 2028, respectively.

2026 PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

The principal terms of the 2026 Property Management Services Framework Agreement are set out below:

Date: 1 December 2025 (after trading hours)

Parties: (i) the Company; and

(ii) Financial Street Group

Term: 1 January 2026 to 31 December 2028

Subject matter: Pursuant to the 2026 Property Management Services Framework Agreement, the Company, either directly, or indirectly through subsidiaries, agreed to provide property management services and related services to Financial Street Group and its associates with respect to the following types of properties:

(i) properties owned by Financial Street Group and its associates or actually controlled by Financial Street Group and its associates with respect to which Financial Street Group and its associates have the right of possession, use, operation and disposal in accordance with laws and agreements; and

(ii) properties already developed by Financial Street Group and its associates but unsold, and/or properties already developed and sold but undelivered by Financial Street Group and its associates.

The related subsidiaries and associates of both parties shall enter into separate property management services agreements, and such agreements shall contain specific terms and conditions. Under the same condition, the terms of these property management services agreement shall be equivalent to the terms offered by Financial Street Group to other third parties.

Pricing policy:

The property management fees to be charged pursuant to the 2026 Property Management Services Framework Agreement shall be determined after arm's length negotiations taking into account the location of the projects, the expected operational costs (including, amongst others, labour costs, material costs and administrative costs) with reference to the property management fees for similar services and similar types of projects in the market.

In order to ensure that the property management fees offered by the Group to Financial Street Group are in line with the pricing policy and are fair and reasonable, the business department of the Group will be responsible for liaising the commercial terms, etc. of the property management service agreement with Financial Street Group. Furthermore, it will assess the necessity and fairness of the property management service agreement to be entered into with Financial Street Group. In assessing the fairness of the property management service agreement, the business department of the Group will take into account not less than three property management fees reference prices (the "**Property Management Fee Reference Prices**") obtained, subject to the availability, from: (i) property management fees information readily available in the market; or (ii) the property management fees of property management service agreements previously entered into between the Group and other third parties for properties management service projects of similar nature and quality located in similar areas. The business department of the Group will ensure the property management fees offered by Financial Street Group will not be lower than the cost incurred in the provision of property management services (such as labour and material costs) by the Group and also the average of the Property Management Fee Reference Prices. The Group will not enter into the property management service agreement with Financial Street Group if the business department is of the view that such property management service agreement is not in line with the pricing policy and is not fair and reasonable.

Condition precedent: The terms of the 2026 Property Management Services Framework Agreement are subject to the Company having obtained any approval or notice as required by the Listing Rules or other applicable laws (including without limitation the approval of the Independent Shareholders at the EGM).

Existing annual caps and historical transaction amounts

The following table sets out the existing annual caps and the fees paid by Financial Street Group and its associates for Property Management Services to our Group:

	For the year ended 31 December		
	2023	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*
Existing annual caps	431.8	455.4	505.4

	For the year ended 31 December		For the six months ended 30 June
	2023	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*
Historical fees for Property Management Services	180.3	172.2	57.5[1]
% to existing annual caps	41.76%	37.81%	11.38%

Note:

1. The figure represents the fee amount for the six months ended 30 June 2025 based on the Company's management accounts and was an estimation only.

Proposed Property Management Services Annual Caps and basis of determination

The following table sets out the Property Management Services Annual Caps for the three years ending 31 December 2028 under the 2026 Property Management Services Framework Agreement:

For the year ending 31 December		
2026	**2027**	**2028**
(RMB million)	*(RMB million)*	*(RMB million)*
347.70	386.32	452.54

The Property Management Services Annual Caps have been determined with reference to, among other things, the following factors:

(i) the historical transaction amounts based on the existing 175 property management contracts with Financial Street Group and its associates during the term of the 2026 Property Management Services Framework Agreement. Affected by macroeconomic factors such as the downturn of the real estate market, the property services industry has been impacted. Therefore, for the years ended 31 December 2023 and 2024, and the six months ended 30 June 2025, the actual demand for property management services for developed but undelivered properties was lower than expected. Meanwhile, during the period, some projects were affected by the increase in sales rates or rental rates, and the property service fees originally paid by connected parties were converted to payment by third parties as the Group's connected parties leased out or sold the properties to third parties tenants or property owners. This led to a decrease in the amount of connected transactions and a low utilization rate of the existing annual cap under the property management service agreements. However, the Property Management Services Annual Caps are also determined after factoring in the fact that (i) the sale rate or lease rate of lease or sale of existing connected party projects by the Group's connected parties to third parties tenants or property owners is expected to remain stable and thus the pertinent amount of connected transactions is expected to remain largely unchanged; (ii) the expected increase in connected party projects in the future also constitutes a portion of the amount of connected transactions; and (iii) the provision by the Company of a series of derivative value-added services based on the needs of connected parties will also lead to an increase in the amount of connected transactions.

    With the improvement of the macroeconomic environment, the government's continuous efforts to stabilize the real estate market and prevent further decline, and the accelerated development of a new model for real estate development, it is expected that the delivery of real estate development projects will proceed as scheduled. Meanwhile, as Financial Street Group and its associates continue to deepen their presence and develop in sectors such as real estate development, asset operation, urban renewal business, education, healthcare, cultural tourism, finance, and emerging industries, the Group will have the opportunity to provide more property management and related services for such relevant businesses. As a result, it is expected that all property management services agreements entered into with Financial Street Group and its associates will be renewed upon expiry of the respective terms with the existing terms remain unchanged;

(ii) the estimation of the increase in demand of Financial Street Group and its associates for property management services. Based on the understanding of the Company, the communication between the Company and Financial Street Group and its associates and the scale of the existing properties owned by and the future business development of Financial Street Group and its associates, the property management fees will increase due to the following factors: (i) as customers'

requirements for the quality and efficiency of office, leisure and living services continue to rise, the demand for high-quality property management services will become more prominent, which will lead to an increase in the property management fees in the future. Therefore, there is room for a certain increase in the property service fees going forward; and (ii) in addition to property management services, a series of value-added services derived from property management services will be launched in the future, thereby driving up the property management fees. For the years ended 31 December 2026, 2027 and 2028, it is expected that the service fees will increase of approximately RMB157.1 million, RMB162.6 million and RMB221.7 million respectively, which will result from the addition of 67, 65 and 62 property management contracts in each respective year based on the expected rate of renewal of the existing property management contracts with the Group's connected parties which is expected to be approximately 100% and the new projects of Financial Street Group in the coming years that will request property management services from the Group; and

(iii) the volume of property management services that Financial Street Group and its associates require from the Group as a proportion of the total property management services required by Financial Street Group and its associates will remain steady.

2026 DEPOSIT SERVICE FRAMEWORK AGREEMENT

The principal terms of the 2026 Deposit Service Framework Agreement are set out below:

Date:	1 December 2025 (after trading hours)
Parties:	(i) the Company; and (ii) FS Finance
Term:	1 January 2026 to 31 December 2028
Subject matter:	Pursuant to the 2026 Deposit Service Framework Agreement, FS Finance shall provide the Deposit Services to the Group. The Deposit Service Framework Agreement does not restrict the Group's use of services provided by other commercial banks or independent financial institutions. The Group may (but is not obliged to) use the Deposit Services provided by FS Finance.
Pricing policy:	FS Finance undertakes to provide the Deposit Services to the Group according to the pricing policy that the interest rate in respect of the deposits placed by the Group with FS Finance will be equal to or higher than the average interest rate offered by independent major PRC state-owned commercial banks for comparable deposits of the same type and term.

In order to ensure that the deposit interest rate and commercial terms provided by FS Finance are in line with the pricing policy and are fair and reasonable, the Company's finance department was responsible for liaising the commercial terms, etc. of the deposit service agreement with FS Finance, and has compared deposit services of the same type and term provided by FS Finance with those offered by other independent major PRC state-owned commercial banks (i.e. China Construction Bank, Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China), and also obtain not less than three quotations on deposits via conducting online enquiries. The above steps would ensure the interest rate to be provided by FS Finance to the Group will be equal to or higher than the average interest rate offered by the comparable banks for comparable deposits of the same type and term. Furthermore, the Company's finance department will also quarterly monitor and confirm that the applicable interest rates provided by FS Finance to the Group will not be lower than the interest rates of the above-mentioned four PRC state-owned commercial banks as provided in their quotations.

Condition precedent: The terms of the 2026 Deposit Service Framework Agreement are subject to the Company having obtained any approval or notice as required by the Listing Rules or other applicable laws (including without limitation the approval of the Independent Shareholders at the EGM).

For the current deposit, the Group could withdraw the deposit from FS finance and independent major PRC state-owned commercial banks at any time and without any restrictions. For the fixed deposit, there will not be any penalty for early withdrawal from FS finance and independent major PRC state-owned commercial banks by the Group at any time.

Existing annual caps and historical transaction amounts

The following table sets out the existing annual caps, the historical maximum daily deposit balances and accrued interests our Group deposited with FS Finance:

	For the year ended 31 December		
Existing annual caps	**2023**	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*
Maximum daily deposit balance	1,000	1,000	1,000
Maximum interest income	10.4	10.4	10.4

Historical transaction amounts	For the year ended 31 December 2023 *(RMB million)*	2024 *(RMB million)*	For the six months ended 30 June 2025 *(RMB million)*
Maximum daily deposit balance	367.98	380.83	402.47[1]
% to existing annual caps	36.80%	38.08%	40.25%
Maximum interest income	5.07	5.13	2.71[1]
% to existing annual caps	48.75%	49.33%	26.06%

Note:

1. The figure represents the maximum deposit balance (including accrued interests) for the six months ended 30 June 2025 based on the Company's management accounts and was an estimation only.

Proposed Deposit Service Annual Caps and basis of determination

The following table sets out the Deposit Service Annual Caps for the three years ending 31 December 2028 under the 2026 Deposit Service Framework Agreement:

	For the year ending 31 December 2026 *(RMB million)*	2027 *(RMB million)*	2028 *(RMB million)*
Maximum daily deposit balance	1,000	1,060	1,120
Maximum interest income	15.12	16.02	16.93

The Deposit Service Annual Caps have been determined with reference to, among other things, the following factors:

In relation to the deposit amount

(i) the historical transaction amounts of the Deposit Services: the maximum daily deposit balances placed by the Group with FS Finance for each of the two years ended 31 December 2023 and 2024 and for the six months ended 30 June 2025 was approximately RMB367.98 million, RMB380.83 million and RMB402.47 million, respectively, and the Group has not utilised the annual cap in the previous years as it has adopted a prudent and risk diversification investment approach, so the Group has deposited its cash in different financial institutions;

(ii) the historical cash position of the Group: the cash and cash equivalents of the Group as at 31 December 2023 and 2024 and 30 June 2025 were approximately RMB1,316.2 million, RMB1,458.6 million and RMB1,424.4 million, respectively; and

(iii) the Deposit Services will be obtained by the Group on a voluntary and non-exclusive basis. There is no restriction under the 2026 Deposit Service Framework Agreement on the Group's use of deposit services from other commercial banks or independent financial institutions; the Group has sole discretion to make its selection according to the relevant conditions and quality of services being delivered by other commercial banks or independent financial institutions. In general, other than FS Finance, the Group also places cash deposits with other commercial banks and independent financial institutions in the PRC.

Before placing deposits with FS Finance, the Company has carried out several due diligence works on FS Finance, including but not limited to inspection of its business certificates and certificate of incorporation, checking of legal compliance status of FS Finance and inspection of the financial report of FS Finance for the most recent financial year, to ensure FS Finance is entitled to and capable of providing financial services. Considering: (i) FS Finance has obtained all the relevant licences to provide Deposit Services; (ii) there exists no legal non-compliance incident by FS Finance; (iii) FS Finance is a non-bank financial institution subject to supervision of the National Financial Regulatory Administration (國家金融監督管理總局) ("**NFRA**") and shall operate business in accordance with the Measures for the Administration of Finance Companies of Enterprise Groups《(企業集團財務公司管理辦法》)(the "**Administrative Measures**"), which sets forth several rules/measures on supervision, management and risk control with regard to operating finance companies of enterprise groups, including but not limited to maintaining certain financial ratios and reporting to the NFRA; and (iv) compare to the Major Supervisory Indicators of Commercial Banking Institutions* (商業銀行主要監管指標情況表) published on the website of the NFRA which states that the bad debt ratio and capital adequacy ratio of commercial banks in the PRC in the second quarter of 2025 were approximately 1.49% and 15.58%, respectively. Whilst the respective financial ratios of FS Finance are approximately nil and 26.29% as at 30 June 2025, thus FS Finance's financial ratios show a better performance than those of the independent major state-owned commercial banks in the PRC, the Company is of the view that the credit risk for placing deposits with FS Finance is minimal. In view of the long-term cooperation relationship, the strong state-owned enterprise background and good credit records and being subject to highly-regulated requirements of FS Finance, the Company also considers that placing deposits with FS Finance, if to the extent of the maximum daily deposit balances, will not result in concentration risk.

In relation to the interest amount

(i) the percentage, being approximately 1.5%, of the total deposits by the Company with FS Finance being kept in current account. Such percentage is derived from the average percentage of the total deposit by the Company with FS Finance being kept in current account as at 31 December 2022, 2023 and 2024 and 30 June 2025;

(ii) the percentage, being approximately 73.5%, of the total deposits by the Company with FS Finance being kept in corporate deposit and 7-day notification deposit. Such percentage is derived from the average percentage of the total deposit by the Company with FS Finance being kept in corporate deposit and 7-day notification deposit as at 31 December 2022, 2023 and 2024 and 30 June 2025;

(iii) the percentage, being approximately 25%, of the total deposits by the Company with FS Finance being kept as fixed deposit. Such percentage is derived from the average percentage of the total deposit by the Company with FS Finance being kept as fixed deposit as at 31 December 2022, 2023 and 2024 and 30 June 2025; and

(iv) the projected maximum interest rate to be offered by FS Finance of approximately 2.05% for fixed deposit, approximately 1.35% for corporate deposit and 7-day notification deposit and approximately 0.45% for current deposit during the term of the 2026 Deposit Service Framework Agreement, which is in compliance with the pricing policy (i.e., higher than the average interest rate offered by independent major PRC state-owned commercial banks for comparable deposits of the same type and term) and determined based on the RMB deposit benchmark interest rate issued by the People's Bank of China, and within the scope of guidance issued by the People's Bank of China.

REASONS FOR AND BENEFITS OF THE RENEWAL OF CONNECTED TRANSACTIONS FRAMEWORK AGREEMENTS

In relation to the 2026 Leasing Framework Agreement

In view of the long-term relationship with Financial Street Group for the provision of office and business premises, the entering into of the 2026 Leasing Framework Agreement can reduce the Company's search cost of suitable premise, avoid incurrence of relocation cost and so to ensure the stability of the working environment of the Group. Further, the renting of premises from Financial Street Group can fulfill the business development needs of the Group, which enables the Group to further expand its business scale and development and the revenue generated from the value-added services (including asset operations and catering services, etc.). The Group will retain certain properties and car parks leased from Financial Street Group for operational purposes, including offices, company restaurants, retail stores, and asset operations. The remaining properties and carparks will be leased out to third parties tenants.

In relation to the 2026 Property Management Services Framework Agreement

The Board is of the view that the entering into of the 2026 Property Management Services Framework Agreement is crucial to the business development and is beneficial to the Company as the Company may secure a stable source of revenue after considering that (i) the Company, as a subsidiary of Financial Street Group, has developed synergistically and maintained a long-term and stable relationship with Financial Street Group and its associates in real estate, investment, finance, education and healthcare business

segments; and (ii) the steady development of each business segment of Financial Street Group will bring new business opportunities of the property management services provided by the Group, which is an important component of the Group's revenue from property management services.

In relation to the 2026 Deposit Service Framework Agreement

FS Finance has been providing the Deposit Services to the Group prior to the listing of the H Shares of the Company on the Stock Exchange, and has developed a solid understanding of the business operation and cash management model of the Group, and is capable of providing the Group with Deposit Services in a stable, suitable, efficient, convenient, and flexible manner. In addition, depositing funds with FS Finance is consistent with the Group's relevant requirements on treasury centralisation and overall management.

Moreover, the interest rate in respect of the Deposit Services provided by FS Finance to the Group will be equal to or higher than the average interest rate offered by independent major PRC state-owned commercial banks for comparable deposits of the same type and term.

The Board cannot control or predict interest rates that will be offered by commercial banks in the future. In the event interest rates offered by commercial banks become unattractive, or if the gap between the interest rates offered by commercial banks and that of FS Finance becomes significant, the Group must be afforded the option to choose the most beneficial interest rates, including depositing a sizable portion of its cash with FS Finance if indeed that is the best option.

OPINION OF THE BOARD

In view of the above reasons and benefits, given the transactions contemplated under the Renewal of Connected Transactions Framework Agreement are in the ordinary and usual course of business of the Company and are under normal commercial terms or better, the Board (including the independent non-executive Directors) are of the view that the terms of the 2026 Leasing Framework Agreement, 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement and the Lease Annual Caps, Property Management Services Annual Caps and Deposit Service Annual Cap are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interests in the transactions contemplated under the Renewal of Connected Transactions Framework Agreement. However, Mr. Han Fengxiang and Mr. Guo Mingming, each holding an office in Financial Street Group, have abstained from voting on the Board decision regarding the Renewal of Connected Transactions Framework Agreements.

Shareholders should note that the Lease Annual Caps, the Property Management Services Annual Caps and the Deposit Service Annual Caps represent the best estimates by the Directors of the amounts of the relevant transactions based on the information currently available. The Lease Annual Caps, the Property Management Services Annual Caps and the Deposit Service Annual Caps bear no direct link, nor constitute a guide or commitment to the Group's future financial information or performance.

INTERNAL CONTROL MEASURES

The Group has adopted the following internal policies and measures to ensure the transactions contemplated under the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement will be implemented under the terms of the relevant framework agreements and the pricing policies, generally including (but not limited to):

(i) the Group will maintain a database of fees paid to the Group in respect of property management services, which is compiled by property type, geographical location of the property, the scope of property management services to be provided by the Group and the identity of the customer;

(ii) the Group will closely observe the market conditions and monitor the prevailing market prices or market rates, including the pricings of transactions between the Group and independent third parties in respect of similar services or materials. Before entering into any connected transactions, the relevant business departments of the Group will compare at least three quotations obtained according to the respective pricing policies. Accordingly, the Company is able to ensure that the pricing terms under the framework agreements are on normal commercial terms and no less favorable than those available from independent third parties;

(iii) the connected transaction panel (consists of members from the office of the Board, financial management center, and compliance and audit center) of the Company will be responsible for regular monitoring of the continuing connected transaction contemplated under the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement to ensure that the Lease Annual Caps, Property Management Services Annual Caps and Deposit Service Annual Caps will not be exceeded. When the transaction volume approaches 90% of the Lease Annual Caps, Property Management Services Annual Caps and Deposit Service Annual Cap for the respective financial year, the connected transaction panel will report immediately to the management and the Board and the Group will cease to enter into any new transaction;

(iv) prior to entering into any transactions contemplated under the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement, the relevant key management personnel of various business departments of the Group will review and

assess the specific terms and conditions of the transactions to ensure their consistency with the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement. The relevant officers will examine, among others, (a) information of the parties; (b) the terms of the agreement and compare it with the terms of similar services offered by Independent Third Parties; (c) the type and scope of services to be provided by the Group thereunder; and (d) whether the contract price is in line with the relevant pricing policies, in order to ensure comments (if any) from various departments of the Group will be properly addressed;

(v) the Company will engage its auditors to conduct an annual review of the continuing connected transactions to be conducted pursuant to the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement; and

(vi) the independent non-executive Directors will review the continuing connected transactions to be conducted pursuant to the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement on an annual basis and confirm whether such continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION OF THE PARTIES

Information on FS Finance

FS Finance, a company established in the PRC with limited liability on 30 June 2015, is a wholly-owned subsidiary of Financial Street Group. FS Finance is a non-bank financial institution (非銀行金融機構) which provides Deposit Services to Financial Street Group and its subsidiaries. FS Finance is subject to a number of regulatory requirements and guidelines issued by regulatory authorities in the PRC.

Information on Financial Street Group

Financial Street Group and its subsidiaries mainly operate in real estate development, property operation and management, finance, education, healthcare and cultural tourism and other businesses. The head office of Financial Street Group is located in Beijing, and its operating properties include office buildings, hotels, apartments, commercial properties, residential properties and parking lots, etc..

Information on the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange. 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.

LISTING RULES IMPLICATION

Continuing connected transactions implications

As at the date of this announcement, Financial Street Group was interested in an aggregate of 34.35% of the total issued share capital of the Company, hence Financial Street Group is a controlling shareholder and thus a connected person of the Company. FS Finance is a wholly-owned subsidiary of Financial Street Group, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Non-exempt transactions

As the highest applicable percentage ratio in respect of: (i) the Lease Annual Caps (for both right-of-use assets and other payments); (ii) the Property Management Services Annual Caps and (iii) the Deposit Service Annual Caps exceed 5%, the transactions contemplated under the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement constitute continuing connected transactions of the Company which are subject to announcement, reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Notifiable transactions implications

Discloseable transactions

As one or more of the applicable percentage ratios in respect of Lease Annual Caps (for both right-of-use assets and other payments) exceed 5% but less than 25%, the transactions contemplated under the 2026 Leasing Framework Agreement also constitute discloseable transactions of the Company which are subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

Major transactions

As one or more of the applicable percentage ratio in respect of Deposit Service Annual Caps exceed 25%, the transactions contemplated under the 2026 Deposit Service Framework Agreement also constitute major transactions of the Company which are subject to announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The Company will convene EGM for the Independent Shareholders to consider and, if thought fit, approve the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement and the transactions contemplated thereunder.

An Independent Board Committee, comprising all independent non-executive Directors, will consider the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement and to advise and provide recommendations to the Independent Shareholders as to how to vote at the EGM on the relevant resolution regarding the 2026 Leasing Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement and the transactions contemplated thereunder. First Global has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Renewal of Connected Transactions Framework Agreements.

At the EGM, resolutions will be proposed by the Company to seek the Independent Shareholders' approval on the Renewal of Connected Transactions Framework Agreements. Huarong Zonghe, a wholly-owned subsidiary of Financial Street Group holding 34.35% of the issued share capital of the Company as of the date of this announcement will abstain from voting for the resolutions regarding the Renewal of Connected Transactions Framework Agreements at the EGM. The proposed resolutions will be passed by way of ordinary resolutions and voted on by way of poll in accordance with the requirement of the Listing Rules and Articles of Association of the Company.

A circular containing, among others things, (i) further details about the Renewal of Connected Transactions Framework Agreements; (ii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee; (iv) other information as required under the Listing Rules; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 15 December 2025.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"2026 Deposit Service Framework Agreement"	the deposit service framework agreement entered into between the Company and FS Finance on 1 December 2025 for a term from 1 January 2026 to 31 December 2028
"2026 Leasing Framework Agreement"	the leasing framework agreement entered into between the Company and Financial Street Group on 1 December 2025 for a term from 1 January 2026 to 31 December 2028
"2026 Property Management Services Framework Agreement"	the property management services framework agreement entered into between the Company and Financial Street Group on 1 December 2025 for a term from 1 January 2026 to 31 December 2028
"associate"	has the same meaning as defined in the Listing Rules
"Board"	the board of Directors
"Company"	Financial Street Property Co., Limited (金融街物業股份有限公司), a company established in the PRC with limited liability, whose H shares are listed on the main board of the Stock Exchange
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Deposit Services"	deposit management services provided by FS Finance to the Group
"Deposit Service Annual Caps"	RMB1,000 million, RMB1,060 million and RMB1,120 million, being the maximum daily balance of deposits that may be placed by the Group with FS Finance for each of years ending 31 December 2026, 2027 and 2028 under the 2026 Deposit Service Framework Agreement and RMB15.12 million, RMB16.02 million and RMB16.93 million, being the maximum interest income to be obtained by the Group from FS Finance for each of years ending 31 December 2026, 2027 and 2028 under the 2026 Deposit Service Framework Agreement
"Deposit Service Framework Agreement"	the deposit service framework agreement entered into between the Company and FS Finance on 11 November 2022 for a term from 1 January 2023 to 31 December 2025

"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for approving, among other things, the 2026 Deposit Service Framework Agreement, the 2026 Leasing Framework Agreement and the 2026 Property Management Services Framework Agreement and the transactions contemplated thereunder
"Financial Street Group"	Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司), a state-owned enterprise established in the PRC on 29 May 1996 and ultimately owned by SASAC Xicheng District. As at the date of the announcement, it indirectly holds 34.35% of the Shares in the Company through its wholly-owned subsidiary Huarong Zonghe and is one of the controlling shareholders of the Company
"FS Finance"	Beijing Financial Street Group Finance Company Limited (北京金融街集團財務有限公司), a company established in the PRC with limited liability on 30 June 2015, and a wholly-owned subsidiary of Financial Street Group
"Group"	the Company and its subsidiaries as at the date of this announcement
"H Share(s)"	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.0 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
"HKFRS"	Hong Kong Financial Reporting Standard
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Huarong Zonghe"	Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司), formerly known as Beijing Huarong Zonghe Investment Company (北京華融綜合投資公司), a state-owned enterprise established in the PRC on 9 July 1992 and wholly-owned by Financial Street Group. As at the date of this announcement holds 34.35% of the Shares in our Company
"Independent Board Committee"	all independent non-executive Directors of the Company during the Renewal of Connected Transactions Framework Agreements

"Independent Financial Adviser" or "First Global"	First Global Corporate Finance Co., Limited, a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewal of Connected Transactions Framework Agreements and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders, other than Financial Street Group and its associate(s), who are not required to abstain from voting at the EGM in respect of the 2026 Deposit Service Framework Agreement, the 2026 Leasing Framework Agreement and the 2026 Property Management Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)
"Independent Third Parties"	individual(s) or company(ies) and their respective ultimate beneficial owner(s), who or which, to the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, is/are not connected with the Company
"Lease Annual Caps"	RMB70.68 million, RMB80.55 million and RMB89.95 million, being the maximum total value of right-of-use assets relating to the leases to be entered into by the Group with Financial Street Group for each of the years ending 31 December 2026, 2027 and 2028 under the 2026 Leasing Framework Agreement; and RMB14.40 million, RMB14.54 million and RMB16.23 million, being the rental payments for leases with a term of no more than one year to be entered into by the Group with Financial StreetGroup for each of the years ending 31 December 2026, 2027 and 2028 under the 2026 Leasing Framework Agreement
"Leasing Framework Agreement"	the leasing framework agreement entered into between the Company and Financial Street Group on 11 November 2022 for a term from 1 January 2023 to 31 December 2025
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan of the PRC

"Property Management Services"	property management services and related services provided by the Company or indirectly through its subsidiaries to Financial Street Group
"Property Management Services Annual Caps"	RMB347.70 million, RMB386.32 million and RMB452.54 million, being the maximum property management fees to be received by the Group from Financial Street Group for each of the years ending 31 December 2026, 2027 and 2028 under the 2026 Property Management Services Framework Agreement
"Property Management Services Framework Agreement"	the property management services framework agreement entered into between the Company and Financial Street Group on 11 November 2022 for a term from 1 January 2023 to 31 December 2025
"Renewal of Connected Transactions Framework Agreements"	the entering into of the 2026 Lease Framework Agreement, the 2026 Property Management Services Framework Agreement and the 2026 Deposit Service Framework Agreement
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	share(s) of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Xicheng SASAC"	State-owned Assets Supervision and Administration Commission of Beijing Xicheng District Municipal Government (北京市西城區人民政府國有資產監督管理委員會)
"%"	per cent

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

Beijing, the PRC, 1 December 2025

As at the date of this announcement, 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 Director.