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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 ON THE RESULTS OF FULFILMENT OF THE PERFORMANCE UNDERTAKING IN RELATION TO THE ACQUISITION

This announcement is made by Financial Street Property Co., Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 14.36B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements of the Company dated 23 June 2021, 21 March 2023, 26 July 2023 (collectively, the "**Announcements**") in relation to the acquisition by the Company of 70% equity interest in a property service company incorporated in Hong Kong, as well as the entering into of the Share Sale and Purchase Agreement by the Company with the Vendor and the Target Company in connection therewith.

Unless the context otherwise stated, capitalized terms used herein have the same meanings as defined in the Announcements.

Transaction and Performance Undertaking Status

1. Transaction Overview

On 21 March 2023, the Company entered into the Share Sale and Purchase Agreement with the Vendor and the Target Company, pursuant to which the Company agreed to acquire, and the Vendor agreed to sell, 70% of the equity interest in the Target Company, for a total consideration of HKD154 million. Completion of the share transfer in respect of the Acquisition took place on 30 September 2023, and the financial information of the Target Company has been consolidated into the financial statements of the Group since 1 October 2023.

2. Performance Undertaking and Compensation

The Vendor undertakes to the Purchaser that the performance targets for the four years ended 31 December 2022, 2023, 2024 and 2025, determined in accordance with the applicable accounting standards adopted by the Target Company in the corresponding years, are: the accumulated audited revenue of HKD625,117,504, the accumulated audited net profit excluding non-recurring gains after tax of HKD72,460,419.

If the Target Company fails to meet the agreed performance targets during the four-year performance commitment period, the Company has the right to make a one-off valuation adjustment which the Vendor shall pay the Purchaser in full as compensation according to the result of such calculation in the manner set out below (whichever is higher), in the following year after the expiry of the four-year performance commitment period:

$$\text{(i) Compensation amount} = \text{Total consideration} \times \frac{\text{HKD625,117,504} - \textit{the accumulated actual operating revenue for 2022–2025}}{\text{HKD625,117,504}}\text{; or}$$

$$\text{(ii) Compensation amount} = \text{Total consideration} \times \frac{\text{HKD72,460,419} - \textit{the accumulated actual net profit excluding non-recurring gains after tax for 2022–2025}}{\text{HKD72,460,419}}$$

3. Guarantee by the Vendor

The performance undertaking is secured by the remaining 20% of the Consideration receivable by the Vendor in 2026 and the 30% shares of the Target Company held by the Vendor, which the Vendor has pledged in favour of the Company pursuant to the Deed of Share Charge separately entered into. The Company shall be entitled to directly set off the remaining 20% of the Consideration to the extent of the total Consideration with an amount equivalent to the compensation and/or exercise its right under the guarantee to adjust the total Consideration upon calculation of the compensation amount, if any, by both parties, or exercise its rights under the Deed of Share Charge.

ACTUAL FULFILMENT OF THE PERFORMANCE UNDERTAKING

During the performance commitment period, the Target Company has actively expanded markets and achieved steady growth in revenue and profit. However, due to the periodic negative impact of the COVID-19 pandemic and relevant objective reasons, such factors caused a delay in performance growth, and the expected target was not 100% achieved within the performance commitment period.

The Company has appointed auditors to conduct a special audit on the operating performance of the Target Company. The actual fulfillment of performance of the Target Company for the years 2022 to 2025 is: the accumulated audited revenue of HKD599,311,813 and the accumulated audited net profit excluding non-recurring gains after tax of HKD60,313,878.

Performance Compensation

Pursuant to the agreed provisions of the Share Sale and Purchase Agreement, if the Target Company fails to meet 100% of the performance undertaking, the Purchaser shall make a one-off valuation adjustment which the Vendor shall pay the Purchaser in full as compensation according to the result of such calculation in the following manner (whichever is higher):

(i) Audited revenue

$$\text{Compensation amount} = \text{HKD154,000,000} \times \frac{\text{HKD625,117,504} - \text{HKD599,311,813}}{\text{HKD625,117,504}} = \text{HKD6,357,327}$$

(ii) Audited net profit excluding non-recurring gains (after tax)

$$\text{Compensation amount} = \text{HKD154,000,000} \times \frac{\text{HKD72,460,419} - \text{HKD60,313,878}}{\text{HKD72,460,419}} = \text{HKD25,815,022}$$

Based on the above calculations, the higher compensation amount is HKD25,815,022. Accordingly, the Vendor shall pay the Purchaser compensation in full in the amount of HKD25,815,022.

Upon mutual confirmation and agreement between the Company and the Vendor, the performance commitment compensation amount hereunder shall be set off against 20% of the total consideration receivable by the Vendor (equivalent to HKD30,800,000). After deducting the performance commitment compensation amount, the Purchaser shall pay the Vendor HKD4,984,978.

COMPLETION OF THE ACQUISITION

The Purchaser, the Vendor and the Target Company have entered into a supplemental agreement in respect of the performance commitment compensation. The Purchaser will pay the Vendor HKD4,984,978 following the completion of the capital exit approval. Upon completion of such payment, the Acquisition will be completed, and the pledge guarantee over the 30% shares of the Target Company held by the Vendor shall be released at the same time, and other provisions of the Share Sale and Purchase Agreement shall remain unchanged.

Based on the above, the Board of the Company is of the view that the compensation scheme for performance undertaking is made in performance of the provisions of the Share Sale and Purchase Agreement, is fair and reasonable, and is in the best interests of the Company and its shareholders as a whole.

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

Beijing, the PRC, 21 April 2026

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.