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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)

VOLUNTARY ANNOUNCEMENT

LETTER OF INTENT FOR THE TRANSACTION IN RELATION TO THE POSSIBLE ACQUISITION

This announcement is made by Financial Street Property Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders of the Company and public investors informed of the latest business development of the Group.

LETTER OF INTENT FOR THE TRANSACTION

On 21 June 2021 (after trading hours), the Company and Mr. He Wei (the “**Vendor**”) entered into a letter of intent for the transaction (the “**Letter of Intent**”), pursuant to which, the Company has agreed to enter into further negotiations with the Vendor in relation to the acquisition of the 65% equity interest (including all the assets, interests, liabilities and premium included into the equity value) held by the Vendor in Zhuzhou Hongda Property Management Co., Ltd. (株洲宏達物業管理有限責任公司) (the “**Target Company**”) (the “**Possible Acquisition**”).

The principal terms of the Letter of Intent are set out as follows:

ASSETS TO BE ACQUIRED AND CONSIDERATION

Subject to the entering into of a formal agreement in relation to the Possible Acquisition among the parties, the Company will acquire and the Vendor will dispose of the 65% equity interest (including all the assets, interests, liabilities and premium included into the equity value) in the Target Company. The consideration for the Possible Acquisition of not exceeding RMB131.99 million (subject to adjustment) will be ultimately subject to further negotiation among the parties to the Letter of Intent. As at the date of this announcement, the Target Company is wholly and beneficially owned by the Vendor.

PERFORMANCE GUARANTEE

The Vendor and/or the Target Company will give commitments and warranties in respect of the performance of the Target Company for certain years following the completion of the Possible Acquisition.

EXCLUSIVITY PERIOD AND DUE DILIGENCE

The Letter of Intent may be terminated by prior consent of the parties or by giving at least thirty (30) days prior notice of either party. The Vendor has agreed and undertaken that it shall not enter into any negotiation, arrangement or agreement with any other party in relation to the Possible Acquisition during the period from the date of the Letter of Intent to the termination of the intent (the “**Exclusivity Period**”) unless with the prior express consent or with the intention of the Company to terminate the Letter of Intent. The Company is entitled to conduct due diligence on the business, legal, financial, tax and other aspects of the Target Company and make adjustment to and decision on its intent on the transaction based on the results of such due diligence.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The Target Company is a limited liability company established and validly existing under the laws in the People’s Republic of China, with a current registered capital of RMB20.01 million. The Target Company is principally engaged in property management; cleaning and maintenance of municipal roads; property cleaning and maintenance; municipal solid waste cleaning up, collection and transportation for profit-making purpose, etc. The Target Company has extensive experience and market competitiveness in operation and management in the property management industry, in particular, in the field of urban sanitation as well as municipal services; the Target Company has extensive practice qualification in the industry and experienced operation and management team, which is reputable and develops in a stable and sound manner.

To the best of knowledge, information and belief of the directors (the “**Directors**”) of the Company, having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons and is not connected with the Company as at the date of this announcement.

PURPOSE OF THE POSSIBLE ACQUISITION AND BENEFITS FOR THE GROUP

To the best of the Directors’ knowledge, information and belief, if the Possible Acquisition is materialized, it will have a positive impact on the Group: The business presence of the Group will expand to the field of municipal management services, which will further expand the business scale as well as enrich the business types of the Group in the region of central China, and the market competitiveness, brand influence and industry status of the Group will be further enhanced; the Group will also take full advantage of the Target Company’s resource advantages in the local property

management market and particularly, give play to the Target Company's qualification, resources and operational advantages in municipal sanitation services and urban public space management areas to further expand in the property management and municipal management service market in the region of central China, so as to further expand its market scale; the Group will take the implementation of the Possible Acquisition as an opportunity to accumulate experience in municipal management services and urban public space operation and management, follow the development trend in the industry, actively expand its business in municipal management and municipal services area, so as to achieve continuous enhancement of the Group's business scale, brand advantages and comprehensive strength.

GENERAL

The Company will keep its shareholders and potential investors informed of any material development in connection with the Possible Acquisition by way of further announcement(s) as and when appropriate in compliance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of Directors of the Company hereby emphasizes that, the contents of the Letter of Intent are not legally binding and the Possible Acquisition is subject to further negotiation on the terms of the formal agreement among the parties and the entering into of formal acquisition agreement. If the Possible Acquisition materializes, it may constitute a notifiable transaction of the Company. Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 23 June 2021

As at the date of this announcement, the Board comprises Mr. Sun Jie and Ms. Xue Rui as executive Directors, Mr. Shen Mingsong, Mr. Zhou Peng, Mr. Liang Jianping and Mr. Jiang Rui as non-executive Directors, and Mr. Song Baocheng, Ms. Tong Yan and Ms. Lu Qing as independent non-executive Directors.