



金融街物業股份有限公司

FINANCIAL STREET PROPERTY CO., LIMITED

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

Stock Code : 1502

2020 Interim Report



# Contents

2	Corporate Information
4	Honours and Milestones of the Company
9	Chairman's Statement
13	Management Discussion and Analysis
26	Corporate Governance and Other Information
30	Interim Condensed Consolidated Statement of Comprehensive Income
32	Interim Condensed Consolidated Balance Sheet
34	Interim Condensed Consolidated Statement of Changes in Equity
35	Interim Condensed Consolidated Statement of Cash Flows
36	Notes to Interim Condensed Consolidated Financial Information

# Corporate Information

## EXECUTIVE DIRECTORS

Mr. Sun Jie (*Chairman*)

Ms. Xue Rui

## NON-EXECUTIVE DIRECTORS

Mr. Shen Mingsong

Mr. Zhou Peng

Mr. Liang Jianping

Mr. Jiang Rui

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Song Baocheng

Ms. Tong Yan

Ms. Lu Qing

## SUPERVISORS

Mr. Liu Anpeng (*Chairman*)

Mr. Liu Hongwu

Ms. Lyu Min

## JOINT COMPANY SECRETARIES

Mr. Chen Xi

Ms. Tong Suet Fong (ACIS ACS)  
(resigned on 13 August 2020)

Ms. Ho Wing Nga (FCIS FCS)  
(appointed on 13 August 2020)

## AUTHORISED REPRESENTATIVES

Mr. Sun Jie

Ms. Tong Suet Fong (ACIS ACS)  
(resigned on 13 August 2020)

Ms. Ho Wing Nga (FCIS FCS)  
(appointed on 13 August 2020)

## AUDIT COMMITTEE

Ms. Tong Yan (*Chairman*)

Mr. Jiang Rui

Mr. Song Baocheng

## NOMINATION COMMITTEE

Mr. Sun Jie (*Chairman*)

Mr. Song Baocheng

Ms. Tong Yan

## REMUNERATION COMMITTEE

Ms. Lu Qing (*Chairman*)

Mr. Shen Mingsong

Mr. Song Baocheng

## REGISTERED OFFICE

Tongtai Building  
33 Financial Street  
Xicheng District  
Beijing  
PRC

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

24/F, Xihuan Plaza Tower 2  
1 Xizhimenwai Avenue  
Xicheng District  
Beijing  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE

46/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## **H SHARE REGISTRAR**

### **Computershare Hong Kong Investor Services Limited**

Shops 1712-16, 17/F  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## **PRINCIPAL BANKS**

China Minsheng Bank Beijing Financial Street Sub-branch  
China Merchants Bank Financial Street Sub-branch

## **AUDITOR**

### **PricewaterhouseCoopers**

Certified Public Accountants  
Registered Public Interest Entity Auditor

## **LEGAL ADVISERS**

### **as to Hong Kong law:**

Guantao & Chow Solicitors and Notaries

## **COMPLIANCE ADVISER**

Guotai Junan Capital Limited

## **STOCK CODE**

1502

## **COMPANY WEBSITE ADDRESS**

[www.jrjlife.com](http://www.jrjlife.com)

# Honours and Milestones of the Company

1

In the first half of 2020, the Group steadily improved its comprehensive strength. It has obvious advantages in commercial property services and office buildings management, with remarkable results. The Group was awarded by the China Index Academy as “2020 Top 100 Property Management Companies of China” (Ranked 16th), “2020 China Office Property Management Exceptional Companies”, “2020 China Leading Property Management Companies in terms of Characteristic Service -- Commercial Properties Management Services”, “2020 Top 100 Property Management Companies in China” and other honours.



2

In the first half of 2020, the Group built a high-standard and professional service standard system, with its industry-leading commercial property operation capacity and management capabilities and under the philosophy of providing considerate services diligently. The “Jinjia Building” and the “China Reinsurance Center” under management of the Group were awarded as the China Property Management Industry Demonstration Site by China Index Academy.



3

In the first half of 2020, “Tongtai Building”, “Fukai Building”, “Yuetan Financial Centre” and other projects under management of the Group were awarded as “Second Class of Safety Production Standardisation for Beijing Property Management Comprehensive Buildings”. On this basis, we continued to attach great importance to the property safety, data and information security and personal safety of its customers and owners, and implemented the philosophy of safety management in the whole process of property services, and established a professional and comprehensive safety management and control system.



4

H shares issued by the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 6 July 2020, which is a milestone in the history of our development as well as a new starting point for making another splendid achievement in the future.



# 5

In the first half of 2020, in the face of the outbreak of novel coronavirus pneumonia, the Group always performed the social responsibility of a state-owned enterprise and comprehensively took various measures, so as to effectively protect the safety of its customers and owners. Through epidemic prevention and control measures that are scientific, orderly and considerate, the Group shows remarkable advantages in operation management and resource integration capabilities, and achieves the organic combination of scientific and effective epidemic prevention and orderly resumption of work and production. With its considerate services in epidemic prevention, the Group wins praise from customers and further enhances the customer stickiness, thus further showing its brand advantage.



The Company produces the Anti-epidemic Protection Handbook for its customers, which is promoted to customers through WeChat and posters, in the form of pictures and texts. While reminding customers to properly carry out self-protection, the Company shows the Financial Street Property's sense of responsibility during the outbreak, as well as its concern for the people, which provides strong confidence for winning the fight against COVID-19.



Strengthen the disinfection and sterilization work in public areas of projects



6

In the first half of 2020, the Group continuously developed information-based and intelligent integrated property management services to provide customers with intelligent, professional and high-quality property services. In the fight against the outbreak of novel coronavirus pneumonia, the Group gave full play to the role of artificial intelligence, giving priority to the application of intelligent robots to support the epidemic prevention work for properties under management. With advanced technologies including artificial intelligence, the Group continuously meets the needs of customers for diversity, convenience, timeliness and comfort, thus providing intelligent and convenient work and life experience for customers.



In the first half of 2020, the Company completed the installation and commissioning of intelligent robots in projects in Beijing, and put them into operation, and used the robots to disseminate information on habitualized epidemic prevention and control, and relevant laws and regulations.

Dear Shareholders,

On behalf of Financial Street Property Co., Limited (“**Financial Street Property**” or the “**Company**”) and its subsidiaries (collectively the “**Group**” or “**we**”), I am pleased to present the unaudited consolidated results of the Group for the six months ended 30 June 2020.

In the first half of 2020, although China's property management industry was affected by the COVID-19 outbreak, it has regained a stable development and maintained a steady upward trend due to preferential supporting policies by the Chinese government and the gradual control of the COVID-19 pandemic in China. H shares issued by the Company were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 6 July 2020, which is a milestone for the Group on its journey toward accessing global capital markets. The results of the Group in the first half of 2020 is a solid foundation for the Group to continue to make great progress after accessing the capital markets. During the interim period, the Group has achieved remarkable results in the prevention and control of the COVID-19 outbreak, and also has taken active measures to ensure scale, stable growth and expansion of management coverage, thus leading to steady growth in our operating revenue, net profit, number of projects and gross floor area (“**GFA**”) under management.



### **BRAND VALUE CONTINUED TO GROW, AND REACHED HIGHEST EVER INDUSTRY RANKING**

In the first half of 2020, the comprehensive strength of the Group has been steadily enhanced, with its advantages in the field of commercial property services and office property management highlighted and outstanding performance. On 13 May 2020, China Index Academy hosted the “Press Conference on Research Results of 2020 Top 100 Property Management Companies in China and the Thirteenth Summit for Top 100 Property Management Entrepreneurs”. At the Summit, the Group has been awarded various honours for its outstanding brand including the 2020 Top 100 Property Management Companies of China, the 2020 China Office Buildings Management Leading Companies, the 2020 Top 100 Leading Property Management Companies in Service Quality in China, and the 2020 China Leading Property Management Companies in terms of Commercial Properties Management Services. The Group continued to achieve remarkable results and ranked 16th in the 2020 Top 100 Property Management Companies of China issued by China Index Academy, one place higher than in 2019 and continued to maintain a steady upward trend.

Under the mission of “Serving the elite with benefits to all” (服務精英 福澤大眾), the Group benefits from its experience and core strengths in high-end commercial property management. In order to “provide quality property management and pursue excellence alongside property owners”, we bring benefits, convenience, comfort and tranquility to developers, property owners, and customers through our professional management and services. We are committed to providing active and value-added property management services, thus achieving harmonious development of social, environmental and economic benefits. There is a rapid increase in our brand awareness and industry influence, with continuous improvement in our service philosophy, continuous optimization of service quality, continuous iteration of service products and a higher industry ranking.

## WE ACHIEVED STRONG GROWTH IN OPERATING RESULTS AND EMBARKED ON A NEW PATH UPON LISTING ON THE STOCK EXCHANGE

For the six months ended 30 June 2020, the revenue of the Group was approximately RMB508.78 million, representing an increase of approximately 18.74% compared with the corresponding period in 2019. Profit attributable to the owners of the Company for the six months ended 30 June 2020 was approximately RMB58.19 million, representing an increase of approximately 27.38% compared with the corresponding period in 2019. As at 30 June 2020, the Group's total GFA under management was approximately 21.6 million sq.m., representing an increase of approximately 16.76% compared with the corresponding period in 2019; it had a total of 158 projects under management, covering 10 provinces and municipalities across six regions, namely North China, Southwest China, East China, South China, Northeast China and Central China.

H shares of the Company were successfully listed on the Stock Exchange on 6 July 2020. The listing on the Stock Exchange is of great and profound significance to the Group. The listing will significantly improve the Group's image and brand recognition amongst the public, customers, government and the media, and strengthen our outstanding and leading position in the commercial property management industry, thus further enhancing our competitiveness in the market.

## WE WILL CONTINUE TO EXPAND OUR PRESENCE RELYING ON ADVANTAGES OF THE GROUP

For the six months ended 30 June 2020, the Group's projects under management were mainly developed by Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司) ("**Financial Street Group**"), the controlling shareholder of the Company, and its subsidiaries (excluding the Group, collectively referred to as "**Financial Street Affiliates Group**"). Meantime, the Group recorded steady growth in GFA under management and number of projects from independent third parties. As at 30 June 2020, the Group has managed properties developed by Financial Street Affiliates Group encompassing an approximate GFA of 14.41 million sq.m., with the number of projects amounting to 108, representing a steady period-on-period increase. Meanwhile, as at 30 June 2020, the Group has managed the properties developed by independent third-party property developers encompassing an approximate GFA of 7.22 million sq.m., with the number of projects also further increasing to 50. Benefiting from the rapid expansion of Financial Street Affiliates Group's business and the Group's active extension in projects from independent third-parties, our property management services and related services (including rental services) generated revenue of approximately RMB501.61 million for the six months ended 30 June 2020, representing an increase of approximately 19.03% as compared to approximately RMB421.42 million for the corresponding period in 2019.

In addition to the continuous and stable supply of GFA under management by Financial Street Affiliates Group, the Group has also actively increased its expansion efforts. Leveraging its quality commercial and business property management services, the Group is committed to further expanding its market share in the commercial and business property management industry, particularly in financial management centres in various major regional cities. For the six months ended 30 June 2020, based on the operation region reform of our operation mechanism, through deepening and implementing incentives for market expansion, we aim to constantly promote the overall management capabilities and operating performance of each region and the Company and ensure the sustainable and rapid development of the Company.

With in-depth penetration into the high-end commercial property management market in the Beijing-Tianjin-Hebei Region, the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta Region, the Group have made positive progress in market-based expansion of projects. We have in the East China region reached strategic cooperation with a development company of a reputable institution in finance, entailing comprehensive cooperation in the areas of pre-project consultancy, project planning, property management, asset management, commercial operations, equipment and facilities management and other areas. We have successfully entered into a contract for the commercial project of "THE SPRINGS (尚浦領世) F1D", a landmark building in Shanghai. With a total GFA of Phase I reaching about 136,000 sq.m., said project is mainly for office and commercial purpose. With the execution of the contract for this project, the Group has further expanded our business scale in East China and enhanced our recognition as a high-end commercial property service brand.

## **WE CONTINUED TO UPGRADE VALUE-ADDED SERVICES AND PROMOTE DIVERSIFIED AND INTELLIGENT INTEGRATION**

We believe that diversified value-added services as well as property management services with high brand value are the cornerstone of our success. For the six months ended 30 June 2020, leveraging on our existing services portfolio, we continued to explore new value-added services and products under our brand series to enhance our brand value. At the same time, the Group continued to promote our "IZEE" Brand Series services, and expand the business scale of "IZEE" Catering Series and "IZEE" Service Series to better serve our customers in the properties we manage.

In order to improve our service quality and support our business growth, we increased our investment in research and development regarding the property management services to smart properties and technology-driven properties. We stepped up to integrate our services into our online platform (our WeChat official account) and offline platforms (our "IZEE" Brand Series) to facilitate effective interactions with owners, tenants and users. In addition, we continued to upgrade our technological system, formulate standardised workflow plan, adopt an automatic management system and upgrade our digitalised equipment, which effectively promoted the rapid development in our diversified and intelligent property management and community value-added services.

## **WE TOOK THE LEAD IN THE JOINT FIGHT AGAINST COVID-19 THROUGH PROVIDING PROPERTY MANAGEMENT SERVICES**

In early 2020, the COVID-19 outbreak has challenged the service capabilities and operation levels of property management companies. The Group attaches great importance to the fight against the COVID-19 outbreak and actively fulfills its social responsibilities as a state-owned enterprise. In line with the principle of "when a command is issued during the outbreak, it is our responsibility to prevent and control it", we have taken prompt actions to fight against the COVID-19 outbreak, and our projects under management have achieved remarkable results in the fight against the outbreak. Since March 2020, with the significant decline in the number of COVID-19 cases in China and the gradual recovery of economic activities, the Group has made efforts to implement the guidance requirements of Chinese government authorities on epidemic prevention and resumption of work and production, organically combined epidemic prevention and control with the resumption of work and production, and successfully ensured the smooth production and operation activities for projects under management, with meticulous and comprehensive work.

With the high sense of social responsibility of a property management company, the Group continuously implemented various epidemic prevention measures and made remarkable achievements. Government agencies and leaders at all levels fully recognized and praised the epidemic prevention and control work of the Group. The full trust and recognition of the government, industry and customers are the solid support for the Group. In the stage of normalized epidemic prevention and control, the Group will always persist in promoting epidemic prevention and control, and resumption of work and production in a planned manner, in accordance with laws and the instructions of governments at all levels, and make careful and practical efforts for epidemic prevention and control, so as to continuously ensure the health and property safety of the owners.

## FUTURE PROSPECTS

In terms of business development, in the second half of 2020, the Group will continue to provide its customers with a wide range of diversified property management services and value-added services, relying on the vast property service market in China. Meanwhile, with our strong brand awareness, rich industry experience and professional management expertise, we will further expand areas covered by our businesses and the scale of our businesses.

In terms of society and environment, in the second half of 2020, the Group will continue to carry forward the public spirit of a state-owned enterprise, its social responsibilities as a state-owned enterprise, and make continuous contributions especially in the protracted fight against the novel coronavirus pneumonia. Meanwhile, the Group will implement normalized epidemic prevention and control to be organically integrated with resumption of work and production. It will promote service quality improvement with a multi-pronged/multi-angled approach. It will continuously advance its data-driven deployment. It will spare no effort to protect the health and safety of customers, with careful and comprehensive prevention and control measures.

In terms of corporate governance, in the second half of 2020, the Group will in accordance with the requirements of laws, regulations and regulatory standards of Mainland China and Hong Kong, strengthen the scientific management system of the Company, and promote standardized corporate governance, vigilantly implement risk control and compliance, so as to ensure compliant operations.

The successful listing of the H shares of the Company on the Stock Exchange is not only a milestone in the history of our development but also a new starting point for further superb achievements in the future. In the second half of 2020, the Group will harness the power conferred upon by capital, properly maintain market value and use the Net Proceeds (as defined below), and exploit technology-endowed capabilities and conceptually innovative core elements of modern property management and operation, and continuously improve our own capabilities. As a superb, customer-acclaimed listed company with standardized operations and on a continuous path of steady growth and progress, we will satisfy investors with exceptional performance.

## CONCLUSION

2020 is a year of challenges and opportunities, as well as a year for the Group to make achievement again, capitalizing on the capital markets. We face challenges and seize opportunities. We remain true to our original aspiration and forge ahead. We will continue to strive to provide customers with pleasant living and working spaces, develop high-quality, diversified and value-added services, and reward investors with outstanding results, for their trust and support.

**Sun Jie**

*Chairman and general manager*

Beijing, the PRC, 27 August 2020

## BUSINESS REVIEW

### Overview

As one of the leading comprehensive property management service providers for commercial and business properties (especially office buildings) in China, the Group focuses on mid- to high-end properties. The Group has been providing property management services for over 26 years since 1994, and since then has expanded the property management business across six regions (namely North China, Southwest China, East China, South China, Northeast China and Central China), covering a wide range of properties and providing property owners and residents with tailored quality services through a one-stop service platform to enhance their quality of life and satisfaction.

The Group mainly provides (A) property management and related services, mainly including (i) customer services, (ii) security services, (iii) cleaning and gardening services, (iv) engineering, repair and maintenance services, (v) carpark management services, and (vi) other related services; and (B) catering services.

In the first half of 2020, the whole service industry was confronted with challenges in the face of the sudden COVID-19 pandemic worldwide, but the property management industry has experienced rigid demand for its services in this captive market. Based on the strategic positioning of “capital, assets, funds and resources” and by adhering to diversified innovation and focusing on the needs of developing our main business, the Group has faced its challenges, continued to optimize management and control and enhance overall market strength, improved our all-round operational capabilities and strengthened our core competitiveness.

In the first half of 2020, in terms of management effectiveness, the Group has, based on the fact that our multiple projects under management in Beijing obtained the qualification of “Class II safety production standardisation for property management of integrated buildings”, strengthened safety management and control, and after drawing on our experience in execution, initiated multi-dimensional advisory services and interactive assessments in business architecture and safety control, and thus won the recognition of several business headquarters customers. The Group has implemented the project of the category “two-wheel drive” to promote the establishment of “centralised data control platform” and “customer service platform” through a “one-stop, intelligent and flat” rapid service response management process, thereby achieving dual improvement of owner experience along with management efficiency and effectiveness.

In the first half of 2020, in terms of business expansion, the Group has made every effort to strengthen the expansion of market-oriented third-party projects aside from the long-term, steady and staunch support offered by the parent company group, *i.e.* Financial Street Affiliates Group. We have in the East China region reached strategic cooperation with a development company of a reputable institution in finance, entailing comprehensive cooperation in the areas of pre-project consultancy, project planning, property management, asset management, commercial operations, equipment and facilities management and other areas. We have successfully entered into a contract for the commercial project of “THE SPRINGS (尚浦領世) F1D”, a landmark building in Shanghai. With a total GFA of Phase I reaching about 136,000 sq.m., said project is mainly for office and commercial purpose. With the execution of the contract for this project, the Group has further expanded our business scale in East China and enhanced our recognition as a high-end commercial property service brand.

In addition, in the first half of 2020, the Group also expanded its market-oriented projects including but not limited to the following:

1. after being engaged for property management of the headquarters building of the Guiyang Branch of China Minsheng Banking Corp., Ltd., the Group further deepened its cooperation with China Minsheng Bank, additionally providing services for its 9 sub-branches and 24 small and micro business sub-branches;
2. in terms of public properties and educational properties in non-commercial properties, it provided property services for an elite international 12-year school in Shaoxing, Zhejiang;
3. leveraging upon its state-owned enterprise background, the Group initiated business development cooperation with State Grid and other state-owned enterprises in “water, power and heat supply, and property management” *Note* services; and
4. with rich experience in serving financial enterprises, the Group initiated business development cooperation with the headquarters of a large state-owned bank and the headquarters of a state-owned financial enterprise with regard to the provision of consulting services for office buildings, thus expanding the scope of business services of the Group in several respects.

*Note* The separation and transfer of “water, power and heat supply, and property management” means the highly policy-oriented and professional, sweeping and complex management operation in which the supply of water, power and heat and property management functions of state-owned enterprises (including enterprises and scientific research institutions) in their respective territories designated as family residential areas are separated and placed under the management of professional enterprises or public institutions.

### Property Management and Related Services

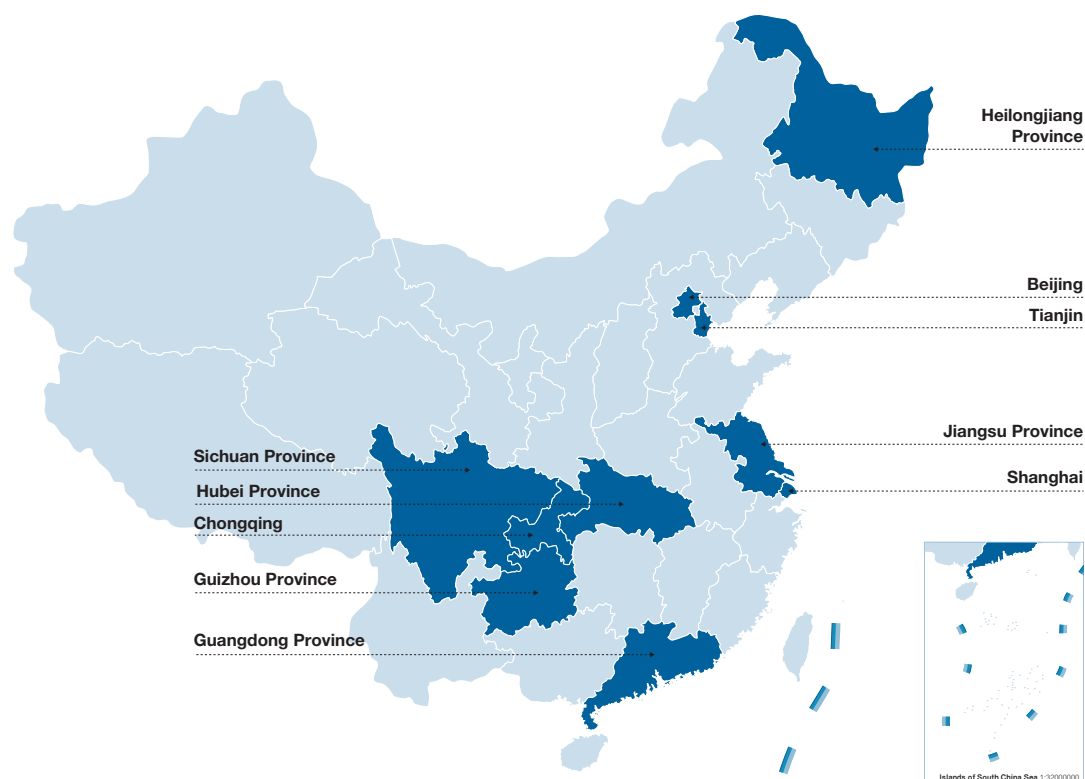
As at 30 June 2020, the Group’s property management and related services covered 10 provinces and municipalities across six regions in China (including North China, Southwest China, East China, South China, Northeast China and Central China), with a total GFA under management of approximately 21.6 million sq.m. and a total of 158 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:

	<b>As at 30 June 2020</b>	As at 30 June 2019
Contracted GFA ('000 sq.m.)	<b>23,945</b>	20,262
GFA under management ('000 sq.m.)	<b>21,628</b>	18,546
Number of properties under management	<b><u>158</u></b>	<u>134</u>

## Geographic Coverage

The following map shows the geographic coverage of the properties under management of the Group as at 30 June 2020:



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 2020		As at 30 June 2019	
	GFA under management ( <sup>'000</sup> sq.m.)	Number of properties under management	GFA under management ( <sup>'000</sup> sq.m.)	Number of properties under management
North China	9,884	80	9,552	77
Southwest China	4,258	26	3,157	20
East China	3,691	21	2,952	14
South China	3,510	27	2,667	19
Northeast China	281	3	216	3
Central China	4	1	2	1
Total	<b>21,628</b>	<b>158</b>	<b>18,546</b>	<b>134</b>



### Types of Properties Under Management

The Group managed a diversified portfolio of properties covering commercial and business properties, including office buildings, complexes, retail buildings and hotel; and non-commercial properties, including residential properties, public properties, hospitals, educational properties and others. Regarding the property management services, the Group employs the lump-sum basis and commission basis as the two revenue models under which property management fees are charged. On a lump-sum basis, the Group records all the fees as revenue and all the expenses incurred in connection with providing the property management services as cost of services. On a commission basis, the Group essentially acts as the agent of the property owners and therefore records only a pre-determined percentage of the property management fees or cost of services as set out in the property management service contracts as revenue. By adopting these two revenue models, the Group is able to cover the expenses incurred in connection with 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 2020			As at 30 June 2019		
	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 hotel	625	2.9	3	625	3.4	3
Office building	6,376	29.5	49	6,162	33.2	46
Complexes	1,011	4.7	4	1,011	5.5	4
Residential properties	9,917	45.8	53	7,704	41.5	44
Public properties, hospitals, educational properties and others	3,699	17.1	49	3,044	16.4	37
<b>Total</b>	<b>21,628</b>	<b>100</b>	<b>158</b>	<b>18,546</b>	<b>100</b>	<b>134</b>

The table below sets forth the breakdowns of (i) the GFA under management; and (ii) the number of properties under management by revenue models as at the dates indicated:

	As at 30 June 2020			As at 30 June 2019		
	GFA under management ('000 sq.m.)	Percentage %	Number of properties under management	GFA under management ('000 sq.m.)	Percentage %	Number of properties under management
Property management services (lump-sum basis)	18,232	84.3	138	15,217	82.0	112
Property management services (commission basis)	3,396	15.7	20	3,329	18.0	22
Total	<u>21,628</u>	<u>100</u>	<u>158</u>	<u>18,546</u>	<u>100</u>	<u>134</u>

It is important to note that on a commission basis, the Group recorded only a pre-determined percentage of the property management fees, which generally ranged from 5.0% to 8.0%, 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 were mainly developed by Financial Street Affiliates Group, while the rest were developed by independent third-party property developers. As at 30 June 2020, the Group has managed the properties developed by Financial Street Affiliates Group encompassing an approximate GFA of 14.41 million sq.m., with the number of projects amounting to 108, representing a steady period-on-period increase. Meanwhile, as at 30 June 2020, the Group has managed the properties developed by independent third-party property developers encompassing an approximate GFA of 7.22 million sq.m., with the number of projects also further increasing to 50.

## Management Discussion and Analysis

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 2020			As at 30 June 2019		
	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	14,411	66.6	108	11,877	64.0	88
Properties developed by independent third-party property developers	<u>7,217</u>	<u>33.4</u>	<u>50</u>	<u>6,669</u>	<u>36.0</u>	<u>46</u>
Total	<u>21,628</u>	<u>100</u>	<u>158</u>	<u>18,546</u>	<u>100</u>	<u>134</u>

### Catering Services

Seven IZEECUP cafés, two IZEE-Mitsuyado restaurants, one IZEECHEF restaurant and one IZEEBAKE bakery were under the Group's operation as at 30 June 2020. For the six months ended 30 June 2020, our revenue from catering services amounted to approximately RMB7.17 million, accounting for approximately 1.41% of revenue for the six months ended 30 June 2020, representing an increase of approximately 1.19% as compared with approximately RMB7.09 million for the six months ended 30 June 2019.

### Building a strong defense against the outbreak and showing the brand advantage

The spread of novel coronavirus pneumonia worldwide posed new challenges to all trades and industries at the beginning of 2020. However, benefiting from stable GFA under management and predictable future delivered area, the property management industry still maintains steady and rapid growth. In the fight against the outbreak, all corners of society including the government, owners and customers more deeply realize the value of property management enterprises. In the face of the outbreak, the Group has always upheld its social responsibility as a state-owned enterprise, and "stayed true to its original vision and kept its mission firmly in mind". In coordinating its employees, customers, enterprises, society and other elements, it has formulated the "123" epidemic prevention and control mechanism, namely, one uniform system of management and control, two aspects of prevention, and implementation of three groups of plans. With respect to actual prevention and control, we comprehensively take various measures to effectively assure the safety of customers and owners, including but not limited to the use of advanced technologies including contactless body-temperature reader doorways, thermal imaging temperature measurement, mobile applications and other advanced technologies, for tracking epidemic information, continuous frequent disinfection, and enhanced personnel management and control. Through epidemic prevention measures that are scientific, orderly, precise, appropriate, intelligent and data-driven, the Group shows remarkable advantages in operation management and resource allocation capabilities, which effectively facilitates work and production resumption. Through delivering fitting and proper services in the process of epidemic prevention, the Group has won plaudits from customers, thereby further enhancing customer retention and its brand superiority.

## FINANCIAL REVIEW

### Revenue

The Group derived revenue mainly from: (i) property management and related services; and (ii) catering services. Revenue increased by approximately 18.74% from approximately RMB428.50 million for the six months ended 30 June 2019 to approximately RMB508.78 million for the six months ended 30 June 2020.

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

	2020		Six months ended 30 June 2019		Changes	
	RMB'000	Proportion	RMB'000	Proportion	RMB'000	Rate of change
<b>Property management and related services:</b>						
Property management services	388,999	76.46%	340,657	79.50%	48,342	14.19%
Value-added services	109,182	21.46%	77,920	18.19%	31,262	40.12%
Rental services	3,432	0.67%	2,839	0.66%	593	20.89%
<b>Catering services</b>	<b>7,170</b>	<b>1.41%</b>	<b>7,086</b>	<b>1.65%</b>	<b>84</b>	<b>1.19%</b>
Total	<b>508,783</b>	<b>100%</b>	<b>428,502</b>	<b>100%</b>	<b>80,281</b>	<b>18.74%</b>

- 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) carpark management services, and (vi) other related services, which increased from approximately RMB421.42 million for the six months ended 30 June 2019 to approximately RMB501.61 million for the six months ended 30 June 2020, representing an increase of approximately 19.03%. The increase in property management income was mainly attributable to the increase in the GFA under management arising from the rapid increase in the projects undertaken by the Group. The increase in the revenue from value-added services was mainly due to greater customer retention and the steady improvement of various operating businesses.
- Revenue generated from our catering services: our revenue from catering services increased from approximately RMB7.09 million for the six months ended 30 June 2019 to approximately RMB7.17 million for the six months ended 30 June 2020.

### Cost of Sales and Services

The Group's cost of sales and services mainly consists of (i) subcontracting costs; (ii) employee benefit expenses; (iii) utilities; (iv) raw material and components used in property management and related services; (v) cost of raw material and consumables for catering services; and (vi) other expenses. The Group's cost of sales and services increased by 17.61% from RMB343.21 million for the six months ended 30 June 2019 to RMB403.63 million for the six months ended 30 June 2020. The growth rate of the cost of sales was lower than the growth rate of revenue, primarily due to the decline in costs as a result of continuous and effective cost management and control.

### Gross Profit and Gross Profit Margin

The overall gross profit of the Group increased by approximately 23.28% from approximately RMB85.29 million for the six months ended 30 June 2019 to approximately RMB105.15 million for the six months ended 30 June 2020. The overall gross profit margin of the Group for the six months ended 30 June 2020 was approximately 20.67%, representing a steady increase as compared to the overall gross profit margin of 19.90% for the six months ended 30 June 2019, mainly due to the increase in the scale of property management services and the optimisation of internal processes, which stimulated overall growth in gross profit margin. The table below sets forth the Group's gross profit and gross profit margin by type of service for the periods indicated:

	2020		Six months ended 30 June 2019		Changes	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Amount	%
	RMB'000	%	RMB'000	%	RMB'000	%
Property management and related services:						
Commercial and business properties	83,836	25.93	78,506	26.85	5,330	(0.92)
Non-commercial properties	23,130	12.99	9,476	7.34	13,654	5.65
Catering services	(1,814)	(24.62)	(2,689)	(37.93)	875	13.31
<b>Total</b>	<b>105,152</b>	<b>20.67</b>	<b>85,293</b>	<b>19.90</b>	<b>19,859</b>	<b>0.77</b>

### Administrative Expenses

Administrative expenses of the Group increased by approximately 20.72% from approximately RMB23.05 million for the six months ended 30 June 2019 to approximately RMB27.82 million for the six months ended 30 June 2020, primarily due to the increase in listing expenses.

### Income Tax Expense

Income tax expense of the Group increased by approximately 24.31% from approximately RMB17.77 million for the six months ended 30 June 2019 to approximately RMB22.09 million for the six months ended 30 June 2020, primarily due to an increase in profit before income tax from approximately RMB68.55 million for the six months ended 30 June 2019 to approximately RMB84.48 million for the six months ended 30 June 2020.

### Profit for the Period

Profit of the Group increased by approximately 22.86% from approximately RMB50.78 million for the six months ended 30 June 2019 to approximately RMB62.39 million for the six months ended 30 June 2020, primarily due to an increase in profit caused by business expansion during the six months ended 30 June 2020.

### Total Comprehensive Income for the Period

Total comprehensive income of the Group increased from approximately RMB50.78 million for the six months ended 30 June 2019 to approximately RMB62.05 million for the six months ended 30 June 2020, representing an increase of approximately 22.20%, which was mainly due to the expansion of the business scale and effective cost control measures.

### Liquidity, Capital Structure and Financial Resources

As at 30 June 2020, the Group's cash and bank balances were approximately RMB671.79 million, representing a decrease of approximately RMB41.25 million from approximately RMB713.04 million as at 31 December 2019.

The Group's financial situation remained stable. The balance of net current assets of the Group remained at a stable level of approximately RMB315.35 million as at 30 June 2020, as compared to approximately RMB336.17 million as at 31 December 2019. As at 30 June 2020, the Group's current ratio (current assets/current liabilities) was approximately 1.56 (31 December 2019: approximately 1.63).

As at 30 June 2020, the Group did not have any borrowings (31 December 2019: nil).

### Trade and Other Receivables

Trade receivables mainly arise from property management and related services. Trade receivables of the Group increased by 37.99% from approximately RMB116.03 million as at 31 December 2019 to approximately RMB160.11 million as at 30 June 2020, 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 being within the credit period.

Other receivables mainly include payments and deposits paid on behalf of owners, tenants and property developers. Total other receivables of the Group decreased by approximately RMB4.26 million from approximately RMB32.57 million as at 31 December 2019 to approximately RMB28.31 million as at 30 June 2020, primarily due to the settlement of certain non-trade payments.

### Trade and Other Payables

Trade payables mainly represent amount payable to suppliers and subcontractors, including for purchase of materials. As at 30 June 2020, our balance of trade payables amounted to approximately RMB129.65 million, representing an increase as compared with approximately RMB80.82 million as at 31 December 2019, which was mainly due to the increase of the cost in security guards, cleaning, engineering and materials supply caused by the expansion of the Company's business scale, for which payments had not become due, thereby resulting in corresponding increase in its balance.

Payroll and welfare payables mainly refer to salary and insurance. As at 30 June 2020, the payroll and welfare payables of the Group were approximately RMB40.73 million, representing a decrease of 19.93% compared with approximately RMB50.86 million as at 31 December 2019, mainly due to monthly provision for bonuses and payment of bonuses in the following year.

Other payables mainly include payments and deposits collected on behalf of owners, tenants and property developers. Other payables decreased by approximately 2.72% from approximately RMB293.57 million as at 31 December 2019 to approximately RMB285.58 million as at 30 June 2020, primarily due to payments on behalf of property owners, tenants and property developers for settling utility bills and the return of deposits.

### Use of Proceeds from the Listing

The Company was listed on the Main Board of the Stock Exchange on 6 July 2020 (the "**Listing Date**") and issued 90,000,000 H shares, and subsequently issued 13,500,000 H shares on 29 July 2020 as a result of the full exercise of the over-allotment option. After deducting the underwriting fees and relevant expenses, net proceeds from the listing (the "**Net Proceeds**") amounted to approximately HK\$707.91 million (equivalent to approximately RMB646.02 million). The Group will utilize the Net Proceeds in accordance with the purposes set out in the section headed "Future Plans and Use of Proceeds" in the prospectus dated 19 June 2020 (the "**Prospectus**"). Since the Listing Date and up to the date of this interim report, the Net Proceeds have not been deployed for any use.

### Pledge of Assets

As at 30 June 2020, none of the assets of the Group were pledged (31 December 2019: nil).

### Material Acquisitions and Disposals of Assets

For the six months ended 30 June 2020, the Group did not have any material acquisitions or disposals of assets (For the six months ended 30 June 2019: nil).

### Significant Investment Held, Disposals and Future Plans for Material Investment and Capital Assets

For the six months ended 30 June 2020, the Group did not have any significant investment, and save as disclosed in the Prospectus, there was no plan for any material investment, disposals or addition of capital assets as at the date of this interim report.

### Liabilities to Assets Ratio

Liabilities to assets ratio is calculated based on our total liabilities as at the end of the relevant period divided by our total assets as at the end of such period. As at 30 June 2020, our liabilities to assets ratio was 0.62. As at 31 December 2019, our liabilities to assets ratio was 0.59.

*Note 1:* 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 2020 and 31 December 2019, the Group had no interest-bearing loan, therefore the gearing ratio does not apply.

*Note 2:* The H shares issued by the Company were listed on the Main Board of The Stock Exchange on 6 July 2020, so as at 30 June 2020, the consolidated financial statements of the Group did not record the Net Proceeds.

### Contingent Liabilities

As at 30 June 2020, the Group did not have any contingent liabilities (31 December 2019: nil).

### Foreign Exchange Risk

The Group's businesses are principally conducted in RMB. The Group did not have any significant foreign currency exposure.

For the six months ended 30 June 2020, the Group did not enter into any forward contract to hedge its exposure to foreign exchange risk, and will continue to monitor foreign exchange risk. The management will consider hedging foreign exchange risk when the Group is substantially exposed.

### Employees and Benefits Policies

As at 30 June 2020, the Group had 4,037 employees (31 December 2019: 4,048 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 Group offers training to its employees so as to enable them to acquire basic skills to perform their duties and to upgrade or improve their productivity.



## OTHER INFORMATION

### Events after the Reporting Period

On 6 July 2020, the Company issued 90,000,000 H shares at an offer price of HK\$7.36 per H share in a global offering and listed on the Main Board of the Stock Exchange.

On 24 July 2020, the sole global coordinator (for itself and on behalf of the international underwriters) fully exercised the over-allotment option described in the Prospectus in respect of 13,500,000 H shares, representing 15% of total number of the offer shares initially available under the global offering. The over-allotment shares were issued and allotted by the Company at HK\$7.36 per H share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee), being the offer price per H share under the global offering. Listing of and dealings in such over-allotment shares commenced on the Stock Exchange at 9:00 a.m. on 29 July 2020.

Ms. Tong Suet Fong has resigned effective from 13 August 2020 from her position as a joint company secretary of the Company and Ms. Ho Wing Nga has been appointed as a joint company secretary of the Company effective from 13 August 2020.

Save as disclosed above, 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 at any time during the six months ended 30 June 2020.

## CORPORATE GOVERNANCE CODE

Since the Listing Date and up to the date of this interim report, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for code provision A.2.1 described below.

Under code provision A.2.1 of the CG Code, the roles of chairman of the board of directors of the Company (the “**Board**”) and the general manager should not be performed by the same individual. During the period from the Listing Date and up to the date of this interim report, the roles of chairman of the Board (“**Chairman**”) and general manager of the Company are performed by Mr. Sun Jie. Taking into account Mr. Sun Jie’s strong expertise and insight into the property management industry, the Board considered that the roles of Chairman and general manager being performed by Mr. Sun Jie enables more effective and efficient overall business planning, decision making and implementation thereof by the Group. In order to maintain good corporate governance and fully comply with the code provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of Chairman and general manager separately.

## MODEL CODE FOR SECURITIES TRANSACTIONS

As the shares of the Company were not listed on the Stock Exchange as at 30 June 2020, the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules was not applicable before 30 June 2020.

The Company has adopted the Model Code as the code of conduct and rules governing dealings by all the Directors (the “**Directors**”) and supervisors (the “**Supervisors**”) of the Company in the securities of the Company. All the Directors and Supervisors will strictly comply with the required standards set out in the Model Code.

### **INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY**

As issued shares of the Company had not been listed on the Stock Exchange on 30 June 2020, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of the Hong Kong Special Administrative Region) (“SFO”) and section 352 of the SFO are not applicable to the Directors, Supervisors and chief executive of the Company.

As at the date of this interim report, being 27 August 2020, none of the Directors, Supervisors and chief executive of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### **INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

As issued shares of the Company had not been listed on the Stock Exchange on 30 June 2020, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO are not applicable to the Company.

As at the date of this interim report, being 27 August 2020, so far as is known to the Directors, the following persons have an interest and/or short position in the shares (the “Shares”) of the Company or underlying Shares which will be required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and as recorded in the register required to be kept pursuant to section 336 of the SFO:

Name of Shareholders	Class of Shares	Capacity	Number of Shares/ Underlying Shares Held (share) <sup>(note 1)</sup>	Percentage of Relevant Class of Shares (%) <sup>(note 10)</sup>	Percentage of Total Shares (%) <sup>(note 11)</sup>
Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司)	Domestic Shares	Beneficial owner	128,299,270 (L)	47.52	34.35
Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司) <sup>(note 2)</sup>	Domestic Shares	Interest in a controlled corporation	128,299,270 (L)	47.52	34.35
Beijing Financial Street Capital Operation Centre (北京金融街資本運營中心) <sup>(note 2)</sup>	Domestic Shares	Interest in a controlled corporation	128,299,270 (L)	47.52	34.35
Beijing Tiantai Real Estate Co., Ltd. (北京天泰置業有限公司)	Domestic Shares	Beneficial owner	79,620,438 (L)	29.49	21.32
China Life Real Estate Investment Management Company Limited (國壽不動產投資管理有限公司) <sup>(note 3)</sup>	Domestic Shares	Interest in a controlled corporation	79,620,438 (L)	29.49	21.32
China Life Investment Holding Company Limited (國壽投資控股有限公司) <sup>(note 3)</sup>	Domestic Shares	Interest in a controlled corporation	79,620,438 (L)	29.49	21.32
China Life Insurance (Group) Company (中國人壽保險(集團)公司) <sup>(note 3)</sup>	Domestic Shares	Interest in a controlled corporation	79,620,438 (L)	29.49	21.32
Beijing Rongxin Hetai Enterprise Management Co., Ltd. (北京融信合泰企業管理股份有限公司),	Domestic Shares	Beneficial owner	62,080,292 (L)	22.99	16.62
J-Stone Multi Strategies Master Fund	H Shares	Beneficial owner	5,243,000 (L)	5.07	1.40
J-Stone Capital Limited	H Shares	Investment manager	5,243,000 (L)	5.07	1.40
Atlantis Capital Group Holdings Limited <sup>(note 4)</sup>	H Shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.40
Liu Yang <sup>(note 5)</sup>	H Shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.40
Find Jade Limited	H Shares	Beneficial owner	5,243,000 (L)	5.07	1.40
Kowloon Development Company Limited <sup>(note 6)</sup>	H Shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.40
Intellinsight Holdings Limited <sup>(note 6)</sup>	H Shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.40
New Explorer Developments Limited <sup>(note 6)</sup>	H Shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.40
Mr. Or Wai Sheun <sup>(note 6)</sup>	H Shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.40
UBS Asset Management (Hong Kong) Ltd <sup>(note 7)</sup>	H Shares	Investment manager	6,292,000 (L)	6.08	1.68
UBS AG	H Shares	Person having a security interest in shares	6,542,000 (L)	6.32	1.75
UBS Group AG <sup>(note 8)</sup>	H Shares	Interest in a controlled corporation	11,812,000 (L)	11.41	3.16
Barings LLC	H Shares	Investment manager	10,231,000 (L)	9.89	2.74
Northern Trust Fiduciary Services (Ireland) Limited <sup>(note 9)</sup>	H Shares	Trustee	6,705,000 (L)	6.48	1.80

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares.
2. Beijing Huarong Zonghe Investment Co., Ltd. (“**Huarong Zonghe**”) is the direct shareholder.
  - (a) 100% of the equity interests in Huarong Zonghe is held by Beijing Financial Street Investment (Group) Co., Ltd. (“**Financial Street Group**”), which is in turn owned as to 32.57% by Xicheng SASAC and 67.43% by Beijing Financial Street Capital Operation Centre (“**Operation Centre**”), which itself is wholly-owned by Xicheng SASAC.
  - (b) By virtue of the SFO, Financial Street Group and Operation Centre are each deemed to be interested in the Shares held by Huarong Zonghe.
3. Beijing Tiantai Real Estate Co., Ltd. (“**Tiantai Real Estate**”) is the direct shareholder.
  - (a) 100% of the equity interests in Tiantai Real Estate is held by China Life Real Estate Investment Management Company Limited (“**China Life Real Estate**”), which is in turn wholly-owned by China Life Investment Holding Company Limited (國壽投資控股有限公司), which is wholly-owned by China Life Insurance (Group) Company (中國人壽保險(集團)公司), which is wholly-owned by the Ministry of Finance of the PRC.
  - (b) By virtue of the SFO, China Life Real Estate, China Life Investment Holding Company Limited (國壽投資控股有限公司) and China Life Insurance (Group) Company (中國人壽保險(集團)公司) are each deemed to be interested in the Shares held by Tiantai Real Estate.
4. Atlantis Capital Group Holdings Limited wholly owns Atlantis Investment Management Limited, which acts in its capacity as investment manager or investment advisor of, and on behalf of Atlantis China Fund, Atlantis China Star Fund Limited, Atlantis China Healthcare Fund, OBOR Stable Growth Fund Limited, Atlantis Star Opportunities Fund SPC on behalf of itself and the Atlantis China Vision Fund SP.
5. According to the Disclosure of Interests Notice filed by Ms. Liu Yang, Atlantis Capital Group Holdings Limited is directly wholly-owned by Ms. Liu Yang. Therefore, Ms. Liu Yang is deemed to have an interest in the shares of the Company pursuant to the SFO.
6. Find Jade Limited is wholly-owned by Kowloon Development Company Limited; Intellinsight Holdings Limited holds 70.63% equity of Kowloon Development Company Limited; Intellinsight Holdings Limited is wholly-owned by New Explorer Developments Limited; and New Explorer Developments Limited is wholly-owned by Ke Weixiang. Therefore, each of Ke Weixiang, New Explorer Developments Limited, Intellinsight Holdings Limited and Kowloon Development Company Limited is deemed to have an interest in the Shares held by Find Jade Limited pursuant to the SFO.
7. in the capacity of investment adviser of Nineteen77 Global Multi-Strategy Alpha Master Limited and on behalf of Nineteen77 Global Multi-Strategy Alpha Master Limited.
8. UBS Asset Management (Hong Kong) Ltd and UBS AG are wholly-owned by UBS Group AG, respectively. Therefore, UBS Group AG is deemed to have an interest in the Shares held by UBS Asset Management (Hong Kong) Ltd and UBS AG.
9. Northern Trust Fiduciary Services (Ireland) Limited is the trustee of Barings Hong Kong China Fund’s trust.
10. The calculation is based on 270,000,000 Domestic Shares or 103,500,000 H Shares issued by the Company as of 27 August 2020.
11. The calculation is based on the total number of 373,500,000 Shares issued by the Company as of 27 August 2020.

Save as disclosed above, as at the date of this interim report, the Company is not aware that any other person has any interests or short positions in the Shares and underlying Shares, which is required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which is required to be entered in the register maintained by the Company under section 336 of the SFO.

## 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, Mr. Song Baocheng and Mr. Jiang Rui. 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 2020. PricewaterhouseCoopers, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2020 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 2020 (For the six months ended 30 June 2019: nil).

# Interim Condensed Consolidated Statement of Comprehensive Income

		For the six months ended 30 June	
	Note	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	5	508,783	428,502
Cost of sales and services	8	<u>(403,631)</u>	<u>(343,209)</u>
<b>Gross profit</b>		<b>105,152</b>	85,293
Administrative expenses	8	(27,823)	(23,048)
Reversal of impairment losses on financial assets		355	427
Other income	6	3,969	1,405
Other gains/(losses), net	7	<u>50</u>	<u>(261)</u>
<b>Operating profit</b>		<b>81,703</b>	63,816
Finance income		3,039	3,883
Finance costs		<u>(1,262)</u>	<u>(696)</u>
	9	1,777	3,187
Share of profit from investment in associates	13	<u>999</u>	<u>1,550</u>
<b>Profit before income tax</b>		<b>84,479</b>	68,553
Income tax expense	10	<u>(22,093)</u>	<u>(17,773)</u>
<b>Profit for the period</b>		<b><u>62,386</u></b>	<b><u>50,780</u></b>
<b>Profit attributable to:</b>			
Owners of the Company		58,190	45,684
Non-controlling interests		4,196	5,096

## Interim Condensed Consolidated Statement of Comprehensive Income

### For the six months ended 30 June

	Note	<b>2020</b> <b>RMB'000</b> <b>(Unaudited)</b>	2019 RMB'000 (Unaudited)
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		<u>(335)</u>	(1)
<b>Other comprehensive loss for the period, net of tax</b>		<u>(335)</u>	(1)
<b>Total comprehensive income for the period</b>		<u><b>62,051</b></u>	<u>50,779</u>
<b>Attributable to:</b>			
Owners of the Company		<b>57,855</b>	45,683
Non-controlling interests		<b>4,196</b>	5,096
<b>Earnings per share, basic and diluted (RMB)</b>	11	<u><b>0.216</b></u>	<u>0.170</u>

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



## Interim Condensed Consolidated Balance Sheet

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	12	12,107	13,736
Property, plant and equipment	12	19,435	18,608
Right-of-use assets	12	35,417	35,939
Intangible assets		2,140	1,417
Investments in associates	13	19,231	22,484
Deferred income tax assets		14,587	12,285
Prepayments		1,513	2,654
<b>Total non-current assets</b>		<b>104,430</b>	<b>107,123</b>
<b>Current assets</b>			
Trade receivables	14	160,109	116,029
Prepayments		20,215	11,458
Other financial assets at amortised cost	15	28,306	32,566
Bank deposits with the maturity over three months		68,675	16,191
Restricted bank deposits		37,255	30,721
Cash and cash equivalents		565,864	666,123
<b>Total current assets</b>		<b>880,424</b>	<b>873,088</b>
<b>Total assets</b>		<b>984,854</b>	<b>980,211</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	16	270,000	270,000
Reserves	17	22,003	22,338
Retained earnings		75,513	100,303
		<b>367,516</b>	<b>392,641</b>
Non-controlling interests		10,643	7,244
<b>Total equity</b>		<b>378,159</b>	<b>399,885</b>

## Interim Condensed Consolidated Balance Sheet

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		33,844	36,208
Retirement benefit obligations		7,772	7,204
<b>Total non-current liabilities</b>		<b>41,616</b>	43,412
<b>Current liabilities</b>			
Trade and other payables	19	464,925	434,147
Contract liabilities		67,312	66,892
Current tax liabilities		18,526	23,594
Current portion of lease liabilities		13,964	11,946
Current portion of retirement benefit obligations		352	335
<b>Total current liabilities</b>		<b>565,079</b>	536,914
<b>Total liabilities</b>		<b>606,695</b>	580,326
<b>Total equity and liabilities</b>		<b>984,854</b>	980,211

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

## Interim Condensed Consolidated Statement of Changes in Equity

	Note	Paid-in capital/Share capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
<b>For the six months ended 30 June 2020 (Unaudited)</b>									
Balance at 1 January 2020		270,000	11,915	10,879	(456)	100,303	392,641	7,244	399,885
Profit for the period		-	-	-	-	58,190	58,190	4,196	62,386
Other comprehensive loss for the period		-	-	-	(335)	-	(335)	-	(335)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(335)</b>	<b>58,190</b>	<b>57,855</b>	<b>4,196</b>	<b>62,051</b>
2019 Dividends	18	-	-	-	-	(82,980)	(82,980)	(797)	(83,777)
<b>Balance at 30 June 2020</b>		<b>270,000</b>	<b>11,915</b>	<b>10,879</b>	<b>(791)</b>	<b>75,513</b>	<b>367,516</b>	<b>10,643</b>	<b>378,159</b>
<b>For the six months ended 30 June 2019 (Unaudited)</b>									
Balance at 1 January 2019		52,500	26,699	26,250	330	123,040	228,819	4,962	233,781
Profit for the period		-	-	-	-	45,684	45,684	5,096	50,780
Other comprehensive loss for the period		-	-	-	(1)	-	(1)	-	(1)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>45,684</b>	<b>45,683</b>	<b>5,096</b>	<b>50,779</b>
Capital contribution from owners		16,000	160,093	-	-	-	176,093	-	176,093
2018 Dividends	18	-	-	-	-	(117,075)	(117,075)	-	(117,075)
<b>Balance at 30 June 2019</b>		<b>68,500</b>	<b>186,792</b>	<b>26,250</b>	<b>329</b>	<b>51,649</b>	<b>333,520</b>	<b>10,058</b>	<b>343,578</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June

	Note	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from operations		76,672	41,711
Income tax paid		(29,353)	(18,721)
Net cash generated from operating activities		47,319	22,990
<b>Cash flows from investing activities</b>			
Change in bank deposits with the maturity over three months		(52,484)	84,112
Investment in wealth management products		(11,310)	(14,480)
Purchases of property, plant and equipment		(2,731)	(2,996)
Purchase of intangible assets		(900)	(509)
Loans to an associate		(743)	(1,972)
Proceeds from redemption of wealth management products		11,388	10,992
Proceeds from repayment of non-trade receivables of Parent Company		4,798	–
Dividends received	13	4,252	1,932
Net cash (used in)/generated from investing activities		(47,730)	77,079
<b>Cash flows from financing activities</b>			
Dividends paid to the shareholders of the Company	18	(82,980)	(117,075)
Listing expenses paid		(10,236)	–
Principal elements and interest elements of lease payments		(5,835)	(2,188)
Dividends paid to non-controlling interests	18	(797)	–
Capital contribution from owners		–	176,093
Net cash (used in)/generated from financing activities		(99,848)	56,830
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(100,259)</b>	156,899
Cash and cash equivalents at beginning of the period		666,123	393,744
<b>Cash and cash equivalents at end of the period</b>		<b>565,864</b>	550,643

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to Interim Condensed Consolidated Financial Information

## 1 GENERAL INFORMATION

Financial Street Property Co., Limited (the “Company”, formerly known as “Beijing Financial Street Property Management Co., Ltd.”) was incorporated in the People’s Republic of China (the “PRC”) as a limited liability company on 20 May 1994. On 19 September 2019, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The address of the Company’s registered office is No. 33, Financial Street, Xicheng District, Beijing, the PRC.

The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 6 July 2020.

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

The Company’s parent company is Beijing Huarong Zonghe Investment Co., Ltd. (the “Parent Company”), an investment company established in the PRC under the control of Beijing Financial Street Investment (Group) Co., Ltd. The ultimate parent company of the Company is Beijing Financial Street Investment (Group) Co., Ltd. (“Financial Street Group” or the “Ultimate Parent Company”).

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information was approved by the board of directors for issue on 27 August 2020.

This condensed consolidated interim financial information has not been audited.

## 2 BASIS OF PREPARATION OF INTERIM FINANCIAL INFORMATION

This condensed consolidated interim financial information for the six months reporting period ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting*.

The interim information does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the consolidated financial statements for the year ended 31 December 2019.

The accounting policies adopted are consistent with those of the previous financial year except for the estimation of income tax (see Note 10) and the adoption of new standards and amendments to standards as set out below.

### *New standards and amendments to standards adopted by the Group*

Amendments to HKFRS 3 – Regarding definition of a business  
 Amendments to HKAS 1 and HKAS 8 – Regarding definition of material  
 Revised Conceptual Framework for Financial Reporting  
 Amendments to HKFRS 9, HKAS 39 and HKFRS 7 – Regarding interest rate benchmark reform

The above new standards or amendments to standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as adopting these standards.

### *New standards and amendments to standards not yet been adopted by the Group*

New standards and amendments that have been issued but not yet effective on 1 January 2020 and not been early adopted by the Group are as follows:

	<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 16 – COVID-19-Related Rent Concessions	1 June 2020
Amendments to HKAS 37 – Onerous contracts – Cost of fulfilling a contract	1 January 2022
Annual Improvements – Annual Improvements to HKFRS standard 2018-2020	1 January 2022
Amendments to HKAS 16 – Property, plant and equipment-proceeds before intended use	1 January 2022
Amendments to HKFRS 3 – Reference to the Conceptual Framework	1 January 2022
HKFRS 17 – Insurance contract	1 January 2023
Amendments to HKAS 1 – Classification of liabilities as current or non-current	1 January 2023
Amendments to HKFRS 10 and HKAS 28 – Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The director of the Company are of the view that the above new standards and amendments to existing standards that have been issued are not expected to have any significant impact on the Group.

### 3 ESTIMATES

The preparation of interim financial information 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 information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as that of the consolidated financial statements for the year ended 31 December 2019.

### 4 FINANCIAL RISK MANAGEMENT

#### 4.1 Financial risk factors

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.

This condensed consolidated interim financial information 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 financial statements as at 31 December 2019.

There have been no changes in the risk management policies since year end.

#### 4.2 Liquidity risk

Compared to 31 December 2019, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

## 5 SEGMENT AND REVENUE INFORMATION

The board of directors of the Company is the Group's chief operating decision-maker ("CODM"). The board of directors has determined the operating segments for the purposes of allocating resources and assessing performance.

During the six months ended 30 June 2020 and 2019, the Group is principally engaged in the provision of property management and related services in the PRC and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole. The board of directors considers the performance assessment of the Group 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 2020 and 2019, respectively, under the requirement of HKFRS 8.

Revenues recognised during the six months ended 30 June 2020 and 2019, respectively, are as follows:

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Property management and related services (including rental services)		
– recognised on a lump sum basis from properties management and related services	<b>493,164</b>	413,669
– recognised on a commission basis from properties management services	<b>5,017</b>	4,908
– rental services	<b>3,432</b>	2,839
Catering services	<b>7,170</b>	7,086
	<b>508,783</b>	428,502

For the six months ended 30 June 2020, Financial Street Group and its joint ventures and associates (the "Financial Street Affiliates Group") contributed 18% of the Group's revenue (For the six months ended 30 June 2019: 14%). 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 2020 and 2019, respectively.



## 5 SEGMENT AND REVENUE INFORMATION *(continued)*

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

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Segment revenue		
– recognised over time	<b>498,181</b>	418,577
– recognised at a point in time	<b>7,170</b>	7,086
Rental income	<b>3,432</b>	2,839
	<b>508,783</b>	428,502

As the Group is domiciled in the PRC from where all of its revenues from external customers for the six months ended 30 June 2020 and 2019, respectively, are derived and in where all of its assets are located, no geographical segment information is shown.

## 6 OTHER INCOME

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Government grants		
– Additional deduction of input VAT	<b>2,891</b>	1,002
– Other	<b>1,078</b>	403
	<b>3,969</b>	1,405

## 7 OTHER GAINS/(LOSSES), NET

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains on investment in wealth management products	78	192
Net losses on disposal of property, plant and equipment	(18)	(52)
Other	(10)	(401)
	<u>50</u>	<u>(261)</u>

## 8 EXPENSES BY NATURE

Expenses included in cost of cleaning, security and maintenance services, employee benefit expense, utilities and other costs are further analysed as follows:

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expense	172,655	153,395
Cost of cleaning, security and maintenance services	166,585	133,493
Utilities	33,001	36,856
Raw material and components used in property management and related services	16,180	16,281
Depreciation and amortisation	9,582	9,948
Anti-epidemic expenses	4,784	–
Cost of raw material and consumables for catering services	4,701	5,196
Professional service fee	4,608	1,327
Listing expenses	2,837	–
Taxes and surcharges	2,192	2,109
Other expenses	14,329	7,652
	<u>431,454</u>	<u>366,257</u>
Total cost of sales and services and administrative expenses		

## 9 FINANCE INCOME/(COSTS)

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income on bank deposits	2,973	3,883
Interest income on loans to an associate (Note 20(a))	66	—
	<u>3,039</u>	<u>3,883</u>
Finance costs		
Interest expenses for lease liabilities	(1,262)	(696)
	<u>1,777</u>	<u>3,187</u>

## 10 INCOME TAX EXPENSE

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	24,285	18,625
Deferred income tax	(2,192)	(852)
	<u>22,093</u>	<u>17,773</u>

## 10 INCOME TAX EXPENSE *(continued)*

Under the Law of the PRC on Corporate Income Tax (the “CIT Law”) and implementation regulations of the CIT Law, the income tax rate of 25% is applicable to all of the Group’s subsidiaries for the six months ended 30 June 2020 and 2019, respectively, except that:

- (i) Beijing Jinxi Lilin Health Management Co., Ltd., Beijing Financial Street Savills Jingnan Property Management Co., Ltd. (formerly named “Beijing Zhongzhao Financial Street Savills Property Management Co., Ltd.”) and Beijing IZEE Mitsuyado Catering Management Co., Ltd. are qualified as small and micro businesses and enjoy a preferential income tax rate of 10% as approved by the local tax authority for the six months ended 30 June 2020 and 2019, respectively;
- (ii) Beijing Jintongtai Catering Co., Ltd., Beijing Ronglutong Consulting Service Co., Ltd. and Beijing Financial Street Residential Property Management Co., Ltd. are qualified as small and micro businesses and enjoy a preferential income tax rate of 5% as approved by the local tax authority for the six months ended 30 June 2020 and 2019, respectively.

## 11 EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period and excluding shares held for employee share scheme.

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Profit attributable to owners of the Company (RMB'000)	<b>58,190</b>	45,684
Weighted average number of ordinary shares in issue (note i)	<b>270,000</b>	269,303
Basic earnings per share (RMB)	<b>0.216</b>	0.170

- (i) In addition, the number of ordinary shares outstanding during the six months ended 30 June 2019 have also been adjusted retroactively for the proportional changes in the number of ordinary shares outstanding as a result of the conversions from reserves to share capital in the computation of both basic and diluted earnings per share for the six months ended 30 June 2019.

**11 EARNINGS PER SHARE** *(continued)***(b) Diluted earnings per share**

No diluted earnings per share is presented as the Group has no dilutive potential ordinary shares during the six months ended 30 June 2020 and 2019, respectively.

**12 INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS**

	Six months ended 30 June 2020 (Unaudited)		
	Investment properties RMB'000	Property, plant and equipment RMB'000	Right-of-use assets RMB'000
<b>Cost</b>			
At beginning of period	21,834	42,735	43,338
Additions	–	3,872	4,227
Disposals and other decreases	–	(298)	(61)
At end of period	<u>21,834</u>	<u>46,309</u>	<u>47,504</u>
<b>Accumulated depreciation</b>			
At beginning of period	(8,098)	(24,127)	(7,399)
Depreciation charge for the period	(1,629)	(3,027)	(4,749)
Disposals and other decreases	–	280	61
At end of period	<u>(9,727)</u>	<u>(26,874)</u>	<u>(12,087)</u>
<b>Net book amount</b>			
At end of period	<u>12,107</u>	<u>19,435</u>	<u>35,417</u>

## 12 INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS *(continued)*

	Six months ended 30 June 2019 (Unaudited)		
	Investment properties RMB'000	Property, plant and equipment RMB'000	Right-of-use assets RMB'000
<b>Cost</b>			
At beginning of period	19,171	33,169	33,789
Additions	–	2,952	11,797
Disposals and other decreases	–	(816)	(198)
At end of period	<u>19,171</u>	<u>35,305</u>	<u>45,388</u>
<b>Accumulated depreciation</b>			
At beginning of period	(5,135)	(19,146)	(17,662)
Depreciation charge for the period	(1,334)	(2,132)	(6,360)
Disposals and other decreases	–	764	198
At end of period	<u>(6,469)</u>	<u>(20,514)</u>	<u>(23,824)</u>
<b>Net book amount</b>			
At end of period	<u>12,702</u>	<u>14,791</u>	<u>21,564</u>

## 13 INVESTMENTS IN ASSOCIATES

The movement in investment in associates in the balance sheet is as follows:

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
At beginning of period	22,484	22,491
Share of profit from investment in associates	999	1,550
Dividend from associates	(4,252)	(1,932)
At end of period	<u>19,231</u>	<u>22,109</u>

## 14 TRADE RECEIVABLES

	<b>As at 30 June 2020 RMB'000 (Unaudited)</b>	As at 31 December 2019 RMB'000 (Audited)
Trade receivables		
– related parties	<b>66,025</b>	41,714
– third parties	<b>102,159</b>	82,734
	<b>168,184</b>	124,448
Less: allowance for impairment of trade receivables	<b>(8,075)</b>	(8,419)
Trade receivables – net	<b>160,109</b>	116,029

Due to the short-term nature of trade receivables, their carrying amount is considered to approximate their fair value.

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly within 180 days. The ageing analysis of the trade receivables based on invoice date is as follows:

	<b>As at 30 June 2020 RMB'000 (Unaudited)</b>	As at 31 December 2019 RMB'000 (Audited)
Within 1 year	<b>163,222</b>	120,097
1 – 2 years	<b>2,847</b>	2,920
Over 2 years	<b>2,115</b>	1,431
Total	<b>168,184</b>	124,448

**14 TRADE RECEIVABLES** *(continued)*

The movements on the provision for impairment of trade receivables are as follows:

	<b>Six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
At beginning of period	<b>8,419</b>	6,147
Reversal of impairment of trade receivables	<b>(344)</b>	(366)
Receivables written off during the period as uncollectible	<b>–</b>	(13)
	<hr/>	<hr/>
At end of period	<b>8,075</b>	5,768

**15 OTHER FINANCIAL ASSETS AT AMORTISED COST**

Other financial assets at amortised cost include the following:

	<b>As at</b>	As at
	<b>30 June 2020</b>	31 December 2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Other receivables		
– related parties	<b>7,931</b>	11,428
– third parties		
Payments on behalf of property owners, tenants and property developers	<b>16,604</b>	16,532
Deposits	<b>1,103</b>	2,261
Other	<b>2,882</b>	2,570
	<hr/>	<hr/>
	<b>28,520</b>	32,791
Less: provision for impairment of other receivables	<b>(214)</b>	(225)
	<hr/>	<hr/>
	<b>28,306</b>	32,566



**15 OTHER FINANCIAL ASSETS AT AMORTISED COST** *(continued)*

The movements on the provision for impairment of other financial assets at amortised cost are as follows:

	<b>Six months ended 30 June</b>	
	<b>2020</b> <b>RMB'000</b> <b>(Unaudited)</b>	2019 RMB'000 (Unaudited)
At beginning of period	<b>225</b>	216
Reversal of impairment of other receivables	<b>(11)</b>	(61)
At end of period	<b>214</b>	155

**16 PAID-IN CAPITAL/SHARE CAPITAL**

	<b>Number of shares</b>	<b>Paid-in capital/ Share capital</b> RMB'000
<b>For the six months ended 30 June 2020 (Unaudited)</b>		
Balance as at 1 January 2020	<b>270,000</b>	<b>270,000</b>
Balance as at 30 June 2020	<b>270,000</b>	<b>270,000</b>
<b>For the six months ended 30 June 2019 (Unaudited)</b>		
<b>Issued and fully paid</b>		
Balance as at 1 January 2019	—	52,500
Capital contribution from owners	—	16,000
Balance as at 30 June 2019	—	68,500

## 17 RESERVES

### (a) Capital reserve

The capital reserve of the Group includes the consideration in excess of the paid-in capital upon capital injection on and the difference between the consideration and net asset acquired by the Company for the further acquisition of non-controlling interests in subsidiaries.

### (b) Other reserve

The other reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

### (c) Statutory reserve

In accordance with the relevant laws and regulations of the PRC and the Articles of Association of the Company, when distributing the net profit of each year, the Company shall appropriate 10% of its profit after taxation (based on the Company's local statutory financial statements) for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the Company's registered capital).

## 18 DIVIDENDS

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Dividends declared and paid to owners of the Company	<b>82,980</b>	117,075
Dividends declared and paid to non-controlling interest	<b>797</b>	–
	<b>83,777</b>	117,075

In the Board meeting of the Company on 22 April 2020, the Board proposed a dividend of RMB82,980,000 which represented the Company's accumulated distributable retained profits as at 31 December 2019. The proposed dividend was then approved in the shareholders' general meeting on 6 May 2020. The dividend has been paid in full.

In addition, Beijing Financial Street Savills Jingnan Property Management Co., Ltd., a non-wholly owned subsidiary, declared a dividend of RMB1,626,000 to its then shareholders in March 2020, among which RMB797,000 had been paid to its non-controlling shareholder.

The board of directors of the Company has resolved not to declare an interim dividend for the six months ended 30 June 2020 (For the six months ended 30 June 2019: nil).

## 19 TRADE AND OTHER PAYABLES

	<b>As at 30 June 2020 RMB'000 (Unaudited)</b>	As at 31 December 2019 RMB'000 (Audited)
Trade payables	<b>129,648</b>	80,818
Other payables	<b>285,575</b>	293,567
– Deposits (note a)	<b>133,949</b>	138,714
– Receipts on behalf of property owners, tenants and property developers	<b>130,429</b>	133,465
– Others	<b>21,197</b>	21,388
Payroll and welfare payables	<b>40,726</b>	50,862
Other tax payables	<b>8,976</b>	8,900
Total	<b>464,925</b>	434,147

- (a) The balances mainly represent the deposits paid by the property owners, tenants and property developers for property management and refurbishment.
- (b) The carrying amounts of trade and other payables are considered to approximate their fair values, due to their short-term nature.
- (c) The ageing analysis of trade payables based on invoice date is as follows:

	<b>As at 30 June 2020 RMB'000 (Unaudited)</b>	As at 31 December 2019 RMB'000 (Audited)
Within 1 year	<b>124,475</b>	77,615
1 – 2 years	<b>4,687</b>	2,584
Over 2 years	<b>486</b>	619
Total	<b>129,648</b>	80,818

## 20 RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Provision of property management and related services to subsidiaries of the Ultimate Parent Company	88,379	60,564
Provision of property management and related services to associates of the Ultimate Parent Company	4,488	1,193
Provision of property management and related services to associates	687	987
Provision of property management and related services to the parent company of the Company's shareholder	325	–
Interest income from a subsidiary of the Ultimate Parent Company	1,331	2,388
Brand licensing from the Ultimate Parent Company	25	25
Purchase of services from an associate	1,635	1,635
Rental expenses to subsidiaries of the Ultimate Parent Company	4,522	290
Recognition of right-of-use assets on leased assets from subsidiaries of the Ultimate Parent Company	3,902	6,125
Interest expenses for lease liabilities to subsidiaries of the Ultimate Parent Company	848	599
Loans to an associate	743	1,972
Interest income from loans to an associate	66	–

**20 RELATED PARTY TRANSACTIONS** (continued)**(b) Balances with related parties**

	<b>As at 30 June 2020 RMB'000 (Unaudited)</b>	As at 31 December 2019 RMB'000 (Audited)
<b>Trade in nature</b>		
Trade receivables from subsidiaries of the Ultimate Parent Company	<b>61,342</b>	33,761
Trade receivables from an associate of the Ultimate Parent Company	<b>4,449</b>	7,917
Trade receivables from an associate	<b>234</b>	36
Other receivables from subsidiaries of the Ultimate Parent Company - Rental deposit	<b>2,210</b>	1,718
Trade and other payables to subsidiaries of the Ultimate Parent Company	<b>25,521</b>	22,985
Contract liabilities to subsidiaries of the Ultimate Parent Company	<b>1,201</b>	730
Lease liabilities to subsidiaries of the Ultimate Parent Company	<b>37,336</b>	30,430
Deposit placed with a subsidiary of the Ultimate Parent Company	<b>237,329</b>	290,171
<b>Non-trade in nature</b>		
Other receivables from the Parent Company - non trade	-	4,798
Other receivables of loans to an associate and related interests – non trade	<b>5,721</b>	4,912

**(c) Key management personnel compensation**

	<b>For the six months ended 30 June</b>	
	<b>2020 RMB'000 (Unaudited)</b>	2019 RMB'000 (Unaudited)
Salaries, bonuses and other benefits	<b>3,513</b>	3,557

**21 SUBSEQUENT EVENTS**

On 6 July 2020, the Company issued a total of 90,000,000 H shares at the offering price of HK\$7.36 per share, which were listed on the Main Board of The Stock Exchange of Hong Kong Limited. The over-allotment option described in the prospectus was subsequently fully exercised in respect of an aggregate of 13,500,000 H shares. The over-allotment Shares have been issued and allotted by the Company at HK\$7.36 per H share under the International Offering.