



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

2021 Interim Report



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Mr. Sun Jie (*Chairman*)
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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

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(*Chairman of the Supervisory Committee*)
Ms. Gao Minghui
Ms. Lyu Min

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Ms. Ho Wing Nga (FCG FCS)

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Ms. Ho Wing Nga (FCG FCS)

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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*)
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STOCK CODE

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Chairman's Statement

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 2021 (the “**Reporting Period**” or the “**Period**”).

In the first half of 2021, the Group forged ahead and achieved steady and healthy development by thoroughly implementing the requirements from governments at all levels and the senior-level group, adhering to its own strategic orientation, seizing market opportunities and leveraging its advantages of internal and external resources. With its authentic characteristics and leading position in the field of commercial property management acting prominently, the Company has further strengthened its market competitiveness.

FOCUS ON QUALITY WITH BRAND VALUE FURTHER ENHANCED

In the first half of 2021, the comprehensive strength of the Group has been steadily enhanced. We unswervingly promote the market-oriented business, and have significant advantages in the field of commercial property services and public property services. Our extraordinary achievements in operating performance growth, business scale expansion, diversified business innovation, revenue structure optimization, service quality improvement and other aspects have contributed to the enhancement of our brand value and industry position. The Group was awarded various honours by the China Index Academy, including the “2021 Top 100 Property Management Companies in China”, the “2021 China Office Buildings Management Leading Companies”, the “2021 Top 100 Leading Property Management Companies in Service Quality in China” and the “2021 China Leading Property Management Companies in terms of Characteristic Service – Commercial Properties Management Services”. The Group continued to achieve remarkable results and ranked 16th in the 2021 Top 100 Property Management Companies in China issued by China Index Academy. Among such turmoil period of rapid changes in the external environment, we remain true to our original aspiration and make steady advance for long-term development, we concentrated on service quality and sought win-win cooperation, achieving long-term stable and continuous growth of the Group's business.

ORDERLY EXPANSION OF BUSINESS BY EXTENSION OF THE CHANNELS

In the first half of 2021, the Group firmly promoted its expansion strategy and continuously consolidated its competitive advantages by increasing incentives, implementing a multi-channel strategic layout and actively exploring expansion channels. Relying on three expansion channels, i.e. individual project bidding, equity merger and acquisition, and joint venture and cooperation, the Group achieved high-quality, large-scale and continued business expansion. As at 30 June 2021, the Group has achieved a business network coverage including 14 provinces and cities across 6 regions, i.e. North China, Southwest China, East China, South China, Northeast China and Central China. The total number of projects under management was 176, representing an increase of 18 projects compared with the corresponding period in 2020. The total gross floor area (“GFA”) under management was approximately 28.1 million sq. m., representing an increase of approximately 30.1% compared with the corresponding period of last year. The Group actively reinforces external expansion to ensure the scale of growth of the third-party

businesses, and utilizes its regional project resource advantages to seize market opportunities in multiple formats, multiple regions and channels. In the first half of 2021, the Group established three joint ventures with its partners and signed two letters of intent regarding transactions of potential acquisitions. By way of bidding, merger and acquisition, and joint venture and cooperation, the Group has further enhanced its market influence and competitiveness, and increased its market share in the field of commercial property and public property services. For the first half of 2021, the Group recorded the GFA under management of the projects from third party developers of 11.47 million sq. m., representing an increase of approximately 59.0% compared with the corresponding period of last year, and the number of projects was 63, representing an increase of 13 projects compared with the corresponding period of last year.

GRADUALLY WIDENING OF INDUSTRIAL LAYOUT OF DIVERSIFIED OPERATIONS

Based on the strategic layout of diversified operations, the Group identifies its development direction of value-added services, improves the value-added business portfolio and ecological layout, and commits itself to connecting various internal and external high-quality resources. Taking into full consideration the in-depth needs of customers, the Group provides them with high-quality, diversified services to enhance customer retention and facilitate its steady operation and rapid development. The Group's value-added services mainly consists of six major sectors, which are operating businesses, advisory services, asset operation, resource management, customized services and other income.

While, leveraging on our existing services portfolio, the Group continued to explore new opportunities for new value-added services and products under our brand series "IZEE", made more efforts to promote services and products under "IZEE", and continued to expand the business scale of Catering Series and Service Series, so as to provide customers with a more valuable professional services portfolio, better serve our customers and enhance our brand value. With the improvement of the supply chain system, deepening of the operating system and gradual maturity of the business model, we have provided owners, tenants and users with high-quality and convenient services, and have enhanced our effective interaction with the owners and tenants.

FIGHT AGAINST COVID-19 AND PROTECTION OF CUSTOMERS' SAFETY WITH ALL EFFORTS

In the first half of 2021, under the backdrop of the normalised prevention and control of the new coronavirus pneumonia pandemic (the "**COVID-19**" or "**Pandemic**"), the Group has managed to address both the Pandemic prevention and control measures with business operation at the same time, thus continue to promote high-quality development of the enterprise. With consistent adherence to the requirements under the laws, regulations and policies, the Group has coordinated and promoted the Pandemic prevention and control. through large number of targeting work such as strict management of community public areas, Pandemic prevention publicity and daily life security, the Group made every effort in ensuring the safety and order of owners in the office areas and communities under its management. Meanwhile, the Group took advantage of the Company's information technology development platform to carry out "contactless" property management services, so as to ensure continuous protection of the health and property safety of the owners and demonstrate its accountability as a state-owned enterprise.

During the period when community-wide quarantine measures were implemented due to sudden confirmed cases occurring in a project under management of the Group, our staff spared no efforts to protect customers' life and safety while focusing on customers' demands and ensuring service quality, and showed great willpower, strong sense of responsibility and excellent service ability, which fully demonstrated the Group's management ability, professional quality and accountability and helped the Group earn high recognition and praise from property owners and administrative authorities.

With a sense of responsibility to the society and active response to the advocacy of the nation and the call of the industry, the Group spares no effort in fulfilling its social responsibilities and actively responds to the calls from the Party and government. Incorporating its own characteristics, the Group has carried out various valuable explorations in social welfare, taken the initiative to participate in social welfare undertakings, and actively fulfilled its tax obligations, to make a contribution for a harmonious and stable society.

FUTURE PROSPECTS

In terms of business development, in the second half of 2021, the Group will closely follow the development trend of the industry, adhere to brand leadership, focus on customers, and insist on the synergistic development of marketization, capitalization and technicalization. Relying on the extensive property services market in the PRC, the Group will continue to adhere to the expansion method of joint ventures and cooperations, actively carry out merger and acquisition businesses to explore more business partners and further expand its business boundaries and its business layout by leveraging on advantages of its strong brand reputation and experience in the area of commercial properties. At the same time, the Group will make efforts to explore new trends in the development of the industry. Seeking to be empowered by way of multi-point deployment, which helps utilizing its capabilities in refined professional service and integrated management to further grasp the historical opportunities for the transformation and uplifting urban comprehensive services to create a comprehensive all-round urban service model, providing effective solutions for grassroots community management.

In terms of diversified operations, in the second half of 2021, the Group will further explore a systematically industrialized operating model based on our existing business portfolio. Through continuously polishing product and service quality, a competitive and reproducible business model will be formed to further satisfy the diversified service needs of property owners and various customers. With the core elements of modern property management and innovation in operation philosophy, the Group will continue to enrich business portfolio, expand operation services, asset management and customization services around customer needs, continue to develop the "IZEE" brand series, so as to explore a diversified and differentiated complex development model; whilst at the same time, the Group continuously enhances customer experience and satisfaction to create greater value for the Company and its customers.

In terms of social responsibilities, in the second half of 2021, we will continue to carry forward the charitable spirit of a state-owned enterprise, its social responsibilities as a state-owned enterprise, and make continuous contributions in the protracted fight against the Pandemic. The Group will implement normalized epidemic prevention and control. 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 addition, the Group will continue to implement various safety systems and measures while maintaining the normalization of epidemic prevention and control, strengthen the core control of production safety, and build a "full coverage, from A to Z" management system to continuously offer customers with better and safe living and working spaces.

In terms of corporate governance, in the second half of 2021, the Group will, in accordance with the requirements of laws, regulations and regulatory standards of Mainland China and Hong Kong, continue to strengthen the scientific management system of the Company, and promote standardized corporate governance, strengthen the construction of risk prevention and control, lay a solid foundation for operations, and effectively maintain a transparent governance system, so as to ensure compliant operations. The Group will firmly carry out organizational innovation, optimization of headquarters and enhancement of regional companies, harness the power conferred upon by capital, research and analyze market trends, explore technology empowering and innovate its business philosophy, so as to improve its strength.

CONCLUSION

The first half of 2021 was a stage when the Group's various strategic measures have been fully implemented. The Company will continue to remain true to its original aspiration and forge ahead, conduct business optimization and value exploration and challenge itself with a new height bravely, so as to be full of confidence to achieve greater breakthrough in the future. We will keep pace with the times and make unremitting efforts, so as to forge brand with quality, lay foundation with strength, and build on the accumulated expertise to seize the opportunities of the time of the industry with rapid development.

Finally, on behalf of the Board, I would like to extend our sincere gratitude to all staff and management team for their contributions made to the development of the Company, and also to the trust and support of all the shareholders and stakeholders of the Company.

Sun Jie

Chairman and general manager

Beijing, the PRC, 26 August 2021

BUSINESS REVIEW

Overview

As one of the leading comprehensive property management service providers for commercial and business properties in China, the Group focuses on mid-to-high-end properties management services. The Group has been providing property management services for over 27 years since 1994. Since then, it has expanded its 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 customized quality services through a one-stop service platform to enhance the quality of customers' living and working space, and their satisfaction.

In the first half of 2021, the comprehensive strength of the Group has been steadily enhanced, with significant advantages in the areas of commercial property and public property services. At the same time, the Group firmly promoted its scale expansion strategy and implemented a multi-channel strategic layout, and achieved high quality and large scale expansion. As at 30 June 2021, the GFA under management of the Group amounted to approximately 28.1 million square meters, representing an increase of approximately 30.09% over the same period last year, and the number of projects under management was 176, representing an increase of 18 projects over the same period last year. Among the newly added areas, approximately 4.26 million square meters of GFA under management originated from projects of third party developers, accounting for 65.8% of the total newly added areas.

The Group's business development of market-oriented third-party projects has achieved remarkable results. In terms of joint venture and cooperation, Beijing Financial Street Savills Property Management Co., Ltd. ("**Financial Street Savills**"), a subsidiary of the Company, established a joint venture company named Dezhou Financial Street Dibiao Zhidu Property Management Co., Ltd. with Mr. Guo Xisheng and Shandong Baishida Geographic Indication Industry Co. Ltd.. The Company established a joint venture company named Beijing Financial Street New City Property Management Co., Ltd. with Beijing Fangshan New City Real Estate Co., Ltd., and a joint venture company named Beijing Wuyi Rongyu Property Service Co., Ltd. with Wuyi (Fujian) Property Management Co., Ltd.. These joint venture companies will provide high-quality services for property projects utilising the existing development resources, integrate the resource advantages of various shareholders, broaden the cooperation boundary and further expand the surrounding property management and related markets.

Financial Street Group, the controlling shareholder of the Company, has been giving long-term and stable support to the Group. The Group continued to leverage on the synergy in its business segments development. In the first half of this year, Beijing Yongtaiheng Health Service Center (“**Yongtaiheng**”), an enterprise by the whole people belonging to Beijing Xicheng District Health Service Management Office, was planned to be transferred to Financial Street Group as a whole, and Yongtaiheng engaged property management and logistics services for health management institutions and medical institutions in Xicheng District, Beijing. Financial Street Group strongly supported the business development of the Company and proposed to transfer 100% of the equity of Yongtaiheng after restructuring to the Company, making Yongtaiheng a wholly-owned subsidiary of the Company. For further details of the aforesaid matters, please refer to the announcement of the Company dated 23 June 2021. As for the follow-up works, the Company and Financial Street Group are currently in the process of orderly implementation.

In June 2021, the Group signed letters of intent with the sellers with respect to the potential acquisition of Zhuzhou Hongda Property Management Co., Ltd. (the “**Zhuzhou Hongda**”) and a property service company registered in Hong Kong (the “**Hong Kong Target Company**”). For further details of the aforesaid matters, please refer to the announcement of the Company dated 23 June 2021. The Group will take the implementation of the potential acquisition of Zhuzhou Hongda as an opportunity to accumulate urban service experience and actively expand its business in the fields of municipal management and urban services. Meanwhile, with the implementation of the potential acquisition of the Hong Kong Target Company, the Group will realize the contiguous layout of the Group’s business in the Guangdong-Hong Kong-Macau Greater Bay Area, and further expand into the property market of the Greater Bay Area.

In the first half of 2021, the Group's newly acquired representative projects are summarized as follows:

- (i) Dezhou Financial Street Dibiao Zhidu Property Management Co., a joint venture established by the Group, has successfully undertaken the International Geographical Indication Product (Dezhou) E-Commerce Headquarters Base project. The project covers commercial buildings, public exhibition halls, ancillary residential apartments and commercial facilities, with a total planned construction area of about 1.1 million sq.m.;
- (ii) taking advantage of years of experience in the field of high-end commercial properties, the Group has undertaken the Tianhui Center project located in Heping District, Tianjin;
- (iii) in the public properties business, taking advantage of the scale effect and brand influence formed in South China, the Group has undertaken a theme scenic spot park located in Xunliao Bay, Huizhou City, Guangdong Province;



- (iv) in the first half of 2021, after the Peking Union Medical College Hospital and Beijing Fengsheng Hospital projects, the Group also won a property service management project of a comprehensive military hospital through public tender. The Group's competitive advantage in the medical logistics service management market was further highlighted; and

- (v) on the basis of providing quality service to the northern winter training center project of Shougang Park, the Group provided management service to the oxygen plant project and Jin'an Bridge project in the centre. The winter training center is the training base for the national curling team, ice hockey team, speed skating team and figure skating team of the State Sports General Administration; the oxygen plant project will be a commercial facility of Shougang ski jump platform for 2022 Winter Olympic Games; Jin'an Bridge project will be developed into a high-end industrial service area with the integration of high-end digital intelligence, industrial culture creativity and supporting services for the 2022 Winter Olympics Games.



PROPERTY MANAGEMENT AND RELATED SERVICES

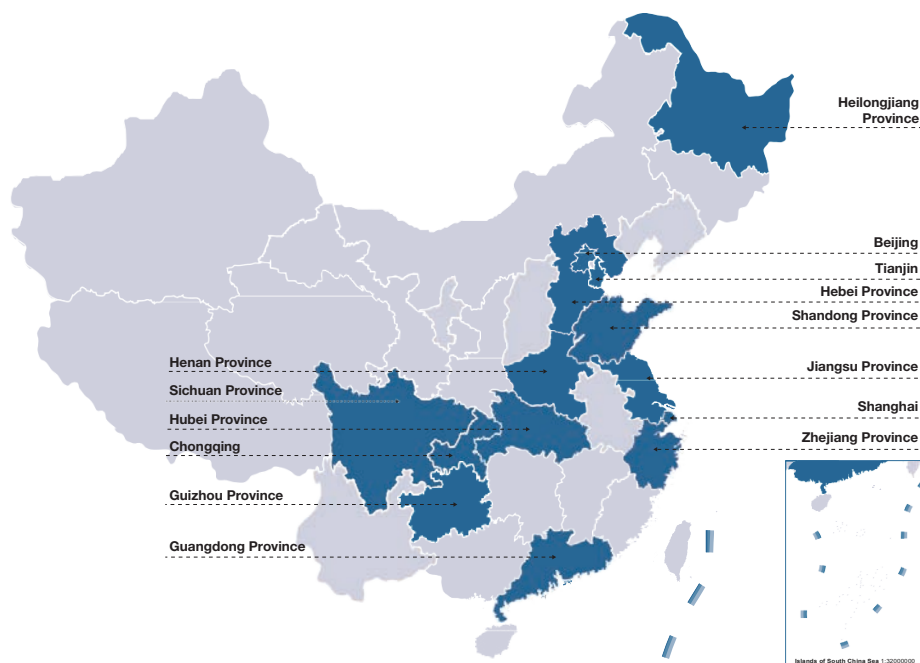
As at 30 June 2021, the Group’s property management and related services covered 14 provinces and municipalities across six regions in China (including North China, Southwest China, East China, South China, Northeast China and Central China), with a total GFA under management of approximately 28.1 million sq.m. and a total of 176 properties under management.

The table below sets forth (i) the contracted GFA; (ii) the GFA under management; and (iii) the number of properties under management, as at the dates indicated:

	As at 30 June 2021	As at 30 June 2020
Contracted GFA ('000 sq.m.)	32,019	23,945
GFA under management ('000 sq.m.)	28,097	21,628
Number of properties under management	176	158

Geographic Coverage

The following map shows the geographic coverage of the properties under management of the Group as at 30 June 2021:



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 2021		As at 30 June 2020	
	GFA under management (<i>'000 sq.m.</i>)	Number of properties under management	GFA under management (<i>'000 sq.m.</i>)	Number of properties under management
North China	13,585	94	9,884	80
Southwest China	4,920	27	4,258	26
East China	4,341	20	3,691	21
South China	3,406	27	3,510	27
Northeast China	470	5	281	3
Central China	1,375	3	4	1
Total	28,097	176	21,628	158

Note:

- (i) North China includes Beijing, Tianjin and Hebei Province
- (ii) Southwest China includes Chongqing, Sichuan Province, and Guizhou Province
- (iii) East China includes Shanghai, Jiangsu Province, Zhejiang Province and Shandong Province
- (iv) South China includes Guangdong Province
- (v) Northeast China includes Heilongjiang Province
- (vi) Central China includes Hubei Province and Henan Province

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 hotels; and non-commercial properties, including residential properties, public properties, hospitals, educational properties and others. Regarding the property management services, the Group employs the lump-sum basis and commission basis as the two revenue models under which property management fees are charged. On a lump-sum basis, the Group records all the fees as revenue and all the expenses incurred in connection with providing the property management services as cost of services. On a commission basis, the Group essentially acts as the agent of the property owners and therefore records only a pre-determined percentage of the property management fees or cost of services as set out in the property management service contracts as revenue. By adopting these two revenue models, the Group is able to cover the expenses incurred in connection with providing property management services.

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

	As at 30 June 2021			As at 30 June 2020		
	GFA under management ('000 sq.m.)	Percentage %	Number of properties under management	GFA under management ('000 sq.m.)	Percentage %	Number of properties under management
Retail buildings and hotels	652	2.3	3	625	2.9	3
Office buildings	6,992	24.9	54	6,376	29.5	49
Complexes	1,011	3.6	4	1,011	4.7	4
Residential properties	11,736	41.8	59	9,917	45.8	53
Public properties, hospitals, educational properties and others	7,706	27.4	56	3,699	17.1	49
Total	28,097	100	176	21,628	100	158

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 2021		As at 30 June 2020	
	GFA under management ('000 sq.m.)	Percentage %	GFA under management ('000 sq.m.)	Percentage %
Property management services (lump-sum basis)	24,647	87.7	18,232	84.3
Property management services (commission basis)	3,450	12.3	3,396	15.7
Total	28,097	100	21,628	100

It is important to note that on a commission basis, the Group recorded only a pre-determined percentage of the property management fees, as set out in the property management service contracts as revenue, while all the property management fees are recorded as revenue on a lump-sum basis.

Nature of the Property Developers Served

The properties under the Group's management include properties developed by Financial Street Affiliates Group and properties developed by independent third-party property developers. As at 30 June 2021, the Group managed the properties developed by Financial Street Affiliates Group encompassing an approximate GFA of 16.63 million sq.m., with the number of projects increased from 108 as at 30 June 2020 to 113, representing a steady period-on-period increase. Meanwhile, as at 30 June 2021, the Group has managed the properties developed by independent third-party property developers encompassing an approximate GFA of 11.47 million sq.m., with the number of projects also further increased to 63 from 50 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 of the Group by property developers as at the dates indicated:

	As at 30 June 2021			As at 30 June 2020		
	GFA under management (<i>'000 sq.m.</i>)	Percentage %	Number of properties under management	GFA under management (<i>'000 sq.m.</i>)	Percentage %	Number of properties under management
Properties developed by Financial Street Affiliates Group	16,625	59.2	113	14,411	66.6	108
Properties developed by independent third-party property developers	11,472	40.8	63	7,217	33.4	50
Total	28,097	100	176	21,628	100	158

Value-added Services

The value-added business of the Group mainly comprises six segments, namely operating businesses, consultancy services, asset operation, resources management, customized services and other income. Besides, based on the existing value-added business portfolio, the Group continued to expand its scope and scale of value-added business services. For the six months ended 30 June 2021, our revenue from value-added services amounted to approximately RMB131.56 million, accounting for approximately 21.76% of revenue for the six months ended 30 June 2021, representing an increase of approximately 20.49% as compared with the revenue of approximately RMB109.18 million for the six months ended 30 June 2020.

FINANCIAL REVIEW

Revenue

The Group derived revenue mainly from: (i) property management and related services; and (ii) catering services. Revenue increased by approximately 18.81% from approximately RMB508.78 million for the six months ended 30 June 2020 to approximately RMB604.47 million for the six months ended 30 June 2021.

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

	2021		Six months ended 30 June 2020		Changes	
	RMB'000	Proportion	RMB'000	Proportion	RMB'000	Rate of change
Property management and related services:						
Property management services	449,292	74.33%	388,999	76.46%	60,293	15.50%
Value-added services	131,558	21.76%	109,182	21.46%	22,376	20.49%
Rental services	4,822	0.80%	3,432	0.67%	1,390	40.50%
Catering services	18,797	3.11%	7,170	1.41%	11,627	162.16%
Total	604,469	100%	508,783	100%	95,686	18.81%

- 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 RMB501.61 million for the six months ended 30 June 2020 to approximately RMB585.67 million for the six months ended 30 June 2021, representing an increase of approximately 16.76%. 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 RMB7.17 million for the six months ended 30 June 2020 to approximately RMB18.80 million for the six months ended 30 June 2021.

Cost of Sales and Services

The Group's cost of sales and services mainly consists of (i) subcontracting costs; (ii) employee welfare expenses; (iii) utilities; (iv) raw materials and components used in property management and related services; (v) cost of raw materials and consumables for catering services; and (vi) other expenses. The Group's cost of sales and services increased by 16.45% from RMB403.63 million for the six months ended 30 June 2020 to RMB470.03 million for the six months ended 30 June 2021. 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 27.86% from approximately RMB105.15 million for the six months ended 30 June 2020 to approximately RMB134.44 million for the six months ended 30 June 2021. The overall gross profit margin of the Group for the six months ended 30 June 2021 was approximately 22.24%, representing a steady increase as compared to the overall gross profit margin of 20.67% for the six months ended 30 June 2020, 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:

	2021		Six months ended 30 June 2020		Changes	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %	Amount RMB'000	%
Property management and related services:						
Commercial and business properties	104,115	27.03	83,836	25.93	20,279	1.10
Non-commercial properties	31,072	15.50	23,130	12.99	7,942	2.51
Catering services	(744)	(3.96)	(1,814)	(24.62)	1,070	20.66
Total	134,443	22.24	105,152	20.67	29,291	1.57

Administrative Expenses

Administrative expenses of the Group decreased by approximately 15.13% from approximately RMB27.82 million for the six months ended 30 June 2020 to approximately RMB23.61 million for the six months ended 30 June 2021, primarily due to the effective cost management measures adopted by the Company.

Income Tax Expense

Income tax expense of the Group increased by approximately 23.81% from approximately RMB22.09 million for the six months ended 30 June 2020 to approximately RMB27.35 million for the six months ended 30 June 2021, primarily due to an increase in profit before income tax from approximately RMB84.48 million for the six months ended 30 June 2020 to approximately RMB108.93 million for the six months ended 30 June 2021.

Profit for the Period

Profit of the Group increased by approximately 30.76% from approximately RMB62.39 million for the six months ended 30 June 2020 to approximately RMB81.58 million for the six months ended 30 June 2021, primarily due to an increase in profit caused by business expansion during the six months ended 30 June 2021.

Total Comprehensive Income for the Period

Total comprehensive income of the Group increased from approximately RMB62.05 million for the six months ended 30 June 2020 to approximately RMB81.65 million for the six months ended 30 June 2021, representing an increase of approximately 31.59%, 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 2021, the Group's cash and bank balances were approximately RMB1,457.79 million, representing an increase of approximately RMB19.86 million from approximately RMB1,437.93 million as at 31 December 2020.

The Group's financial situation remains stable. The net current assets of the Group remains at a stable level of approximately RMB1,031.71 million as at 30 June 2021, as compared to approximately RMB1,023.55 million as at 31 December 2020. As at 30 June 2021, the Group's current ratio (current assets/current liabilities) was approximately 2.39 (31 December 2020: approximately 2.68).

As at 30 June 2021, the Group did not have any borrowings (31 December 2020: nil).

Trade and Other Receivables

Trade receivables mainly arise from property management and related services. Trade receivables of the Group increased by 73.40% from approximately RMB146.91 million as at 31 December 2020 to approximately RMB254.74 million as at 30 June 2021, 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 increased by approximately RMB7.33 million from approximately RMB33.86 million as at 31 December 2020 to approximately RMB41.19 million as at 30 June 2021, primarily due to (i) the increase in payment on behalf of property owners, tenants and property developers from the operation of property management and relevant services as a result of the increase in the total GFA under management; and (ii) receivables being within the credit period.

Trade and Other Payables

Trade payables mainly represent amount payable to suppliers and subcontractors, including for purchase of materials. As at 30 June 2021, our balance of trade payables amounted to approximately RMB136.81 million, representing an increase of approximately 59.88% as compared with approximately RMB85.57 million as at 31 December 2020, 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 an increase in its balance.

Payroll and welfare payables mainly refer to salary and insurance. As at 30 June 2021, the payroll and welfare payables of the Group were approximately RMB45.86 million, representing a decrease of approximately 32.05% as compared with approximately RMB67.49 million as at 31 December 2020, mainly due to the bonus accrued last year was distributed this year.

Other payables mainly include payments and deposits collected on behalf of owners, tenants and property developers. Other payables increased by approximately 1.82% from approximately RMB325.51 million as at 31 December 2020 to approximately RMB331.44 million as at 30 June 2021, primarily due to the growth of business scale.

Use of Proceeds from the Listing

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (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\$710.48 million (equivalent to approximately RMB648.36 million). The Group will utilize the Net Proceeds in accordance with the purposes set out under the section headed "Future Plans and Use of Proceeds" in the prospectus dated 19 June 2020 (the "**Prospectus**").

The analysis on the utilisation of the Net Proceeds from the Listing Date to 30 June 2021 is as follows:

	Planned use of the Net Proceeds as stated in the Prospectus and the use of additional Net Proceeds after taking into account the full exercise of the over-allotment option on 29 July 2020		Actual use of Net Proceeds up to 30 June 2021	Unutilised Net Proceeds as at 30 June 2021
	<i>% of total amount</i>	<i>RMB million</i>		
Pursuing strategic acquisitions and investment opportunities and establishing new branches and subsidiaries to expand the Group's business scale	60%	389.02	3.76	385.26
Developing the Group's value-added services business	20%	129.66	7.17	122.49
Establishing and upgrading IT and intelligent facilities systems	10%	64.84	2.21	62.63
The Group's working capital and general corporate purposes	10%	64.84	–	64.84
Total	100%	648.36	13.14	635.22

For the detailed breakdown and description of the proceeds and the expected timetable for the use of proceeds, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at the date of this report, the directors of the Company ("**Directors**") were not aware of any material change to the planned use of the Net Proceeds. The unutilised Net Proceeds and its subsequent planned term of use will be applied in a manner consistent with that mentioned in the Prospectus. The planned term of use in the Prospectus was determined according to the optimal estimation and assumption for the future market conditions and industrial development made by the Company when preparing the Prospectus, while the proceeds were applied according to the actual development of the Group's business and the industry.

Pledge of Assets

As at 30 June 2021, none of the assets of the Group were pledged (31 December 2020: nil).

Material Acquisitions and Disposals of Assets

For the six months ended 30 June 2021, the Group did not have any material acquisitions or disposals of assets (For the six months ended 30 June 2020: nil).

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

For the six months ended 30 June 2021, the Group did not have any significant investment.

Save as disclosed in the Prospectus and above in relation to the acquisition of Yongtaiheng and matters relating to the entering into of letters of intent for the proposed acquisitions of Zhuzhou Hongda and the Hong Kong Target Company, there was no plan for any material investment, disposals or addition of capital assets as at the date of this 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 2021, our liabilities to assets ratio was 0.41. As at 31 December 2020, our liabilities to assets ratio was 0.37. 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 2021 and 31 December 2020, the Group had no interest-bearing loan, therefore the gearing ratio does not apply.

Contingent Liabilities

As at 30 June 2021, the Group did not have any contingent liabilities (31 December 2020: nil).

Financial Policy

The Group has adopted prudent financial management policies and maintained a healthy liquidity position throughout the year. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

Foreign Exchange Risk

The Group's businesses are principally denominated/settled in RMB, which is the functional currency of the Group. Other than bank deposits denominated in Hong Kong dollars, the Group is not exposed to significant foreign exchange risk. The Group will continue to monitor its foreign exchange exposure and take prudent measures to avoid exchange losses.

Employees and Welfare Policies

As at 30 June 2021, the Group had 4,058 employees (31 December 2020: 4,123 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 the new joiners to acquire basic skills to perform their duties and to upgrade or improve their productivity.

OTHER INFORMATION

Events after the Reporting Period

No other significant events of the Group occurred after the Reporting Period.

Purchase, Sale or Redemption of Listed Securities or Redeemable Securities of the Company

Neither the Company nor its subsidiary purchased, sold or redeemed any of the Company's listed securities at any time during the six months ended 30 June 2021.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 of the Stock Exchange Listing Rules (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 and the general manager should not be performed by the same individual. During the Reporting Period, 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.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct and rules governing dealings by all the Directors and supervisors (the “**Supervisors**”) of the Company in the securities of the Company. Having made specific enquiries with all Directors and Supervisors, all Directors and Supervisors have strictly complied with the standards stipulated in the Model Code during the Reporting Period.

Pursuant to the Company's requirements, the relevant management personnel and employees of the Company are also subject to the Model Code, which prohibits them from dealing in the Company's securities whenever they possess inside information related to the securities of the Company. The Company was not aware of any incidents of non-compliance with the Model Code by the relevant personnel and employees of the Company during the Reporting Period.

CHANGES TO INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The changes in Director's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

1. Mr. Sun Jie, the executive Director and chairman of the Company, has ceased to be the deputy secretary-general of Beijing Property Management Association (北京物業管理行業協會) since 15 July 2021, and has become the vice president of Beijing Property Management Association from the same date;
2. Mr. Jiang Rui, a non-executive Director of the Company, ceased to be the deputy general manager of the strategic development department of Beijing Financial Street Investment (Group) Co., Ltd. with effect from 1 July 2021, and has been the executive deputy general manager of Beijing Financial Street Investment Management Co., Ltd. (北京金融街投資管理公司) from the same date; and
3. Mr. Song Baocheng, an independent non-executive Director of the Company, ceased to be the vice president of Beijing Property Management Association with effect from 16 July 2021.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

As at 30 June 2021, none of the Directors, Supervisors and senior management 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 Securities and Futures Ordinance (Chapter 571 of the laws of the Hong Kong Special Administrative Region) (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 at 30 June 2021, so far as is known to the Directors of the Company, the following persons (other than the Directors, chief executive and Supervisors of the Company) have an interest or short position in 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 of the Company required to be kept pursuant to section 336 of the SFO:

Name of Shareholders	Class of Shares	Capacity	Number of Shares/ Underlying Shares Held (<i>share</i>) ^(note 1)	Percentage of Relevant Class of Shares (%) ^(note 2)	Percentage of Total Shares (%) ^(note 3)
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) ^(note 4)	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) ^(note 4)	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) ^(note 5)	Domestic shares	Interest in a controlled corporation	79,620,438 (L)	29.49	21.32
China Life Investment Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司) ^(note 5)	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) ^(note 5)	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	1.4
J-Stone Capital Limited	H shares	Investment manager	5,243,000 (L)	5.07	1.4
Find Jade Limited	H shares	Beneficial owner	5,243,000 (L)	5.07	1.4
Kowloon Development Company Limited ^(note 6)	H shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.4
Intellinsight Holdings Limited ^(note 6)	H shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.4
New Explorer Developments Limited ^(note 6)	H shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.4
Mr. Or Wai Sheun ^(note 6)	H shares	Interest in a controlled corporation	5,243,000 (L)	5.07	1.4
UBS Asset Management (Hong Kong) Ltd ^(note 7)	H shares	Investment manager	6,292,000 (L)	6.08	1.68
UBS AG	H shares	Person having a security interest in shares	5,930,000 (L)	5.73	1.59

Name of Shareholders	Class of Shares	Capacity	Number of Shares/ Underlying Shares Held (<i>share</i>) ^(note 1)	Percentage of Relevant Class of Shares (%) ^(note 2)	Percentage of Total Shares (%) ^(note 3)
UBS Group AG ^(note 8)	H shares	Interest in a controlled corporation	13,130,000 (L)	12.69	3.52
Barings LLC	H shares	Investment manager	10,231,000 (L)	9.89	2.74
Northern Trust Fiduciary Services (Ireland) Limited ^(note 9)	H shares	Trustee	6,705,000 (L)	6.48	1.80
JPMorgan Chase & Co. ^(note 10)	H shares	Person having a security interest in shares/ interest in a controlled corporation	5,488,019 (L) 1,000,000 (S)	5.30 0.97	1.47 0.27
Kaizen Capital Partners Limited ^(note 11)	H shares	Investment manager	7,301,000 (L)	7.05	1.95

Notes:

- The letter “L” denotes the person’s long position in the shares, and the letter “S” denotes the person’s short position in the shares.
- The calculation is based on 270,000,000 domestic shares or 103,500,000 H shares issued by the Company as at 30 June 2021.
- The calculation is based on the total number of 373,500,000 shares issued by the Company as at 30 June 2021.
- Beijing Huarong Zonghe Investment Co., Ltd. (“**Huarong Zonghe**”) is the direct shareholder.
 - 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 37.94% by Xicheng SASAC and 62.06% by Beijing Financial Street Capital Operation Centre (“**Operation Centre**”), which itself is wholly-owned by Xicheng SASAC.
 - By virtue of the SFO, Financial Street Group and Operation Centre are each deemed to be interested in the shares held by Huarong Zonghe.
- Beijing Tiantai Real Estate Co., Ltd. (“**Tiantai Real Estate**”) is the direct shareholder.
 - 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 Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司), 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.
 - By virtue of the SFO, China Life Real Estate, China Life Investment Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司) 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.
- 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. As stated in the Disclosure of Interests form submitted by UBS Group AG on 30 June 2021 (the date of the relevant event set out in the form was 25 June 2021), such shares comprise (i) 7,200,000 shares which were held through UBS O'Connor LLC; and (ii) 5,930,000 shares which were held through UBS AG. As far as is known to the Company, UBS O'Connor LLC is held by UBS Asset Management (Hong Kong) Ltd. Therefore, by virtue of the SFO, UBS Group AG is deemed to have an interest in the shares held by UBS Asset Management (Hong Kong) Ltd, UBS AG and UBS O'Connor LLC.
9. Northern Trust Fiduciary Services (Ireland) Limited is the trustee of Barings Hong Kong China Fund's trust.
10. As stated in the Disclosure of Interest form submitted by JPMorgan Chase & Co. on 11 June 2021 (the date of the relevant event set out in the form was 7 June 2021), such shares were held through certain subsidiaries of JPMorgan Chase & Co. Among 5,488,019 H shares (long position) it held, 1,000,000 shares were held in the capacity of interest in a controlled corporation; and 4,488,019 shares were held in the capacity of person having a security interest in shares. 1,000,000 H shares (short position) it held were held in the capacity of interest in a controlled corporation.
11. As stated in the Disclosure of Interest form submitted by Kaizen Capital Partners Limited on 7 May 2021 (the date of the relevant event set out in the form was 30 April 2021), such shares were held through Kaizen Capital Partners Limited in the capacity of investment manager.

Save as disclosed above, as at 30 June 2021, 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 (independent non-executive Director), Mr. Jiang Rui (non-executive Director) and Mr. Song Baocheng (independent non-executive Director). The chairman of the Audit Committee is Ms. Tong Yan. The Audit Committee has reviewed the unaudited interim results and interim report for the six months ended 30 June 2021. Grant Thornton Hong Kong Limited, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2021 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 2021 (For the six months ended 30 June 2020: nil).

INDEPENDENT AUDITOR'S REPORT

To the board of directors of Financial Street Property Co., Limited
(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of Financial Street Property Co., Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages 29 to 52, which comprise the condensed consolidated statement of financial position as at 30 June 2021, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of these condensed consolidated interim financial statements consists of making inquiry, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2020 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the interim financial information of the Group for six months ended 30 June 2020 reviewed by another auditor. The comparative condensed consolidated statement of financial position as at 31 December 2020 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the consolidated financial statements of the Group for the year ended 31 December 2020 audited by the same auditor who expressed an unmodified opinion on the consolidated financial statements on 25 March 2021.

Grant Thornton Hong Kong Limited

Certified Public Accountants

Level 12

28 Hennessy Road

Wanchai

Hong Kong

26 August 2021

Chiu Wing Ning

Practising Certificate No.: P04920

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Notes	For the six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	5	604,469	508,783
Cost of sales and services	8	(470,026)	(403,631)
Gross profit		134,443	105,152
Administrative expenses	8	(23,610)	(27,823)
(Provision)/Reversal of impairment losses on financial assets, net		(5,303)	355
Other income	6	6,984	3,969
Other gains, net	7	194	50
Operating profit		112,708	81,703
Finance income	9	4,463	3,039
Finance costs	9	(7,951)	(1,262)
Finance costs, net		(3,488)	1,777
Share of (loss)/profit from interests in associates	14	(294)	999
Profit before income tax		108,926	84,479
Income tax expense	10	(27,345)	(22,093)
Profit for the period		81,581	62,386

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2021

	Notes	For the six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Profit for the period attributable to:			
Owners of the Company		75,677	58,190
Non-controlling interests		5,904	4,196
		81,581	62,386
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of retirement benefit obligations		72	(335)
		72	(335)
Other comprehensive income/(loss) for the period, net of tax			
		72	(335)
Total comprehensive income for the period			
		81,653	62,051
Other comprehensive income attributable to:			
Owners of the Company		75,749	57,855
Non-controlling interests		5,904	4,196
		81,653	62,051
Earnings per share, basic and diluted (RMB)	11	0.203	0.216

The notes on pages 35 to 52 are an integral part of these condensed interim consolidated financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

		As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
	Notes		
ASSETS			
Non-current assets			
Investment properties	13	9,014	10,477
Property, plant and equipment	13	24,435	24,603
Right-of-use assets	13	31,755	32,941
Intangible assets		5,553	5,607
Interests in associates	14	12,548	12,842
Deferred tax assets		10,286	5,557
Goodwill		325	325
Prepayments		–	1,095
Total non-current assets		93,916	93,447
Current assets			
Trade receivables	15	254,740	146,905
Prepayments		19,232	12,658
Other financial assets at amortised cost	16	41,185	33,863
Bank deposits with the maturity over three months		58,287	25,194
Restricted bank deposits		51,115	33,994
Cash and cash equivalents		1,348,385	1,378,746
Total current assets		1,772,944	1,631,360
Total assets		1,866,860	1,724,807
EQUITY AND LIABILITIES			
Share capital	17	373,500	373,500
Reserves	18	573,225	573,153
Retained earnings		133,500	115,342
Equity attributable to owners of the Company		1,080,225	1,061,995
Non-controlling interests		15,294	20,271
Total equity		1,095,519	1,082,266

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2021

		As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		24,279	28,899
Retirement benefit obligations		5,334	5,289
Deferred tax liabilities		493	538
Total non-current liabilities		30,106	34,726
Current liabilities			
Trade and other payables	19	591,421	486,467
Contract liabilities		121,660	102,764
Current tax liabilities		13,601	5,174
Current portion of lease liabilities		14,361	13,067
Current portion of retirement benefit obligations		192	343
Total current liabilities		741,235	607,815
Total liabilities		771,341	642,541
Total equity and liabilities		1,866,860	1,724,807

The notes on pages 35 to 52 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Note	Paid-in capital/ share capital RMB'000	Capital reserve RMB'000 (Note 18a)	Statutory reserve RMB'000 (Note 18b)	Other reserve RMB'000 (Note 18c)	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
For the six months ended									
30 June 2021 (unaudited)									
Balance at 1 January 2021 (audited)		373,500	556,770	17,298	(915)	115,342	1,061,995	20,271	1,082,266
Profit for the period		-	-	-	-	75,677	75,677	5,904	81,581
Other comprehensive income for the period		-	-	-	72	-	72	-	72
Total comprehensive income for the period		-	-	-	72	75,677	75,749	5,904	81,653
2020 Dividends approved	12	-	-	-	-	(57,519)	(57,519)	(11,371)	(68,890)
Capital contribution from non- controlling interests		-	-	-	-	-	-	490	490
Balance at 30 June 2021		373,500	556,770	17,298	(843)	133,500	1,080,225	15,294	1,095,519
For the six months ended 30 June									
2020 (unaudited)									
Balance at 1 January 2020 (audited)		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 income for the period		-	-	-	(335)	-	(335)	-	(335)
Total comprehensive income for the period		-	-	-	(335)	58,190	57,855	4,196	62,051
2019 dividends approved and paid	12	-	-	-	-	(82,980)	(82,980)	(797)	(83,777)
Balance at 30 June 2020		270,000	11,915	10,879	(791)	75,513	367,516	10,643	378,159

The notes on pages 35 to 52 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

		For the six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
	Notes		
Cash flows from operating activities			
Cash generated from operations		41,766	73,633
Income tax paid		(23,692)	(29,353)
Net cash generated from operating activities		18,074	44,280
Cash flows from investing activities			
Interest received		3,815	3,039
Change in bank deposits with the maturity over three months		(33,093)	(52,484)
Investment in wealth management products		–	(11,310)
Purchases of property, plant and equipment		(3,978)	(2,731)
Purchase of intangible assets		–	(900)
Loans to an associate		–	(743)
Proceeds from redemption of wealth management products		–	11,388
Proceeds from repayment of non-trade receivables of Parent Company		–	4,798
Proceeds from disposal of property, plant and equipment		109	–
Dividends received from associates	14	–	4,252
Net cash used in investing activities		(33,147)	(44,691)
Cash flows from financing activities			
Dividends paid to the shareholders of the Company	12	–	(82,980)
Listing expenses paid		–	(10,236)
Principal elements and interest elements of lease payments		(8,653)	(5,835)
Dividends paid to non-controlling interests	12	–	(797)
Capital contribution from non-controlling interests		490	–
Net cash used in financing activities		(8,163)	(99,848)
Net decrease in cash and cash equivalents		(23,236)	(100,259)
Cash and cash equivalents at beginning of the period		1,378,746	666,123
Exchange effect on cash and cash equivalents		(7,125)	–
Cash and cash equivalents at end of the period		1,348,385	565,864

The notes on pages 35 to 52 are an integral part of these condensed consolidated interim financial statements.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

1. GENERAL INFORMATION

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

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

The Company’s immediate holding company is Beijing Huarong Zonghe Investment Co., Ltd. (the “**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**”), a limited liability company incorporated in the PRC.

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

The unaudited condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and were authorised for issue by the Board of Directors on 26 August 2021.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

(i) Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Accounting Standard (“**HKAS**”) 34, “**Interim Financial Reporting**” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

(ii) Application of amendments to HKFRSs

The condensed consolidated interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with the accounting policies adopted in the Group’s annual financial statements for the year ended 31 December 2020, except for the adoption of the following amended HKFRSs effective as of 1 January 2021. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS (CONTINUED)

(ii) Application of amendments to HKFRSs (Continued)

Amendments to HKFRS 9, HKAS 39
and HKFRS 7, HKFRS 4 and
HKFRS 16

Interest Rate Benchmark Reform – Phase 2

Amendments to HKFRS 16

COVID-19-Related Rent Concessions

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

4. FINANCIAL RISK MEASUREMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

There have been no material changes in the risk management policies of the Group since the year ended 31 December 2020.

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 2021 and 2020, 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 2021 and 2020, respectively, under the requirement of HKFRS 8.

Revenues recognised during the six months ended 30 June 2021 and 2020, respectively, are as follows:

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Property management and related services (including rental services)		
– recognised on a lump sum basis from properties management and related services	573,720	493,164
– recognised on a commission basis from properties management services	7,130	5,017
– rental services	4,822	3,432
Catering services	18,797	7,170
	604,469	508,783

For the six months ended 30 June 2021, Financial Street Group and its joint ventures and associates (the "Financial Street Affiliates Group") contributed 11% of the Group's revenue (For the six months ended 30 June 2020: 18%). 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 2021 and 2020, respectively.

5. SEGMENT AND REVENUE INFORMATION (CONTINUED)

The Group derives revenue from the transfer of services over time and at a point in time in the following major types of service provided:

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15:		
– recognised over time	580,850	498,181
– recognised at a point in time	18,797	7,170
Revenue from other source:		
– Rental income	4,822	3,432
	604,469	508,783

As the Group is domiciled in the PRC from where all of its revenues from external customers for the six months ended 30 June 2021 and 2020, respectively, are derived and in where all of its assets are located, no geographical segment information is shown.

6. OTHER INCOME

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants		
– Deductible input VAT	2,950	2,891
– Subsidies (<i>Note</i>)	4,034	1,078
	6,984	3,969

Note: The amount represented the subsidies received from the local government bureau in the PRC. During the six months ended 30 June 2021, the Group received government subsidies amounting to RMB3,000,000 for listing H shares on the Main Board of the Stock Exchange of Hong Kong Limited. There was no unfulfilled conditions and other contingencies attached to the receipt of subsidy.

7. OTHER GAINS, NET

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gains on investment in wealth management products	–	78
Net gain/(losses) on disposal of property, plant and equipment	18	(18)
Other	176	(10)
	194	50

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	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expense	217,652	172,655
Cost of cleaning, security and maintenance services	188,361	166,585
Utilities	34,652	33,001
Raw material and components used in property management and related services	5,274	16,180
Depreciation and amortisation	11,746	9,582
Anti-epidemic expenses	1,027	4,784
Cost of raw material and consumables for catering services	17,337	4,701
Professional service fee	2,175	4,608
Listing expenses	–	2,837
Taxes and surcharges	2,725	2,192
Other expenses	12,687	14,329
Total cost of sales and services and administrative expenses	493,636	431,454

Notes to Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2021

9. FINANCE INCOME/(COSTS)

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income on bank deposits	2,346	1,642
Interest income from a subsidiary of the Ultimate Parent Company (Note 20(a))	2,117	1,331
Interest income on loans to an associate (Note 20(a))	–	66
	4,463	3,039
Finance costs		
Interest expenses for lease liabilities	(826)	(1,262)
Exchange losses, net	(7,125)	–
	(7,951)	(1,262)

10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	32,119	24,285
Deferred tax	(4,774)	(2,192)
	27,345	22,093

10. INCOME TAX EXPENSE (CONTINUED)

PRC Corporate Income Tax

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 2021 and 2020, 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 2021 and 2020, 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 2021 and 2020, 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.

	For the six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to owners of the Company (RMB'000)	75,677	58,190
Weighted average number of ordinary shares in issue ('000)	373,500	270,000
Basic earnings per share (RMB)	0.203	0.216

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 2021 and 2020, respectively.

12. DIVIDENDS

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends to owners of the Company	57,519	82,980
Dividends to non-controlling interests	11,371	797
	68,890	83,777

In the Board meeting of the Company on 25 March 2021, the Board proposed a dividend of RMB57,519,000 which represented the Company's accumulated distributable retained earnings as at 31 December 2020. The proposed dividend was then approved in the shareholders' general meeting on 24 June 2021.

In addition, Beijing Financial Street Savills Property Management Co., Ltd., a non-wholly owned subsidiary, declared a dividend of RMB56,853,000 to its then shareholders in June 2021, among which RMB11,371,000 was payable 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 2021 (For the six months ended 30 June 2020: nil).

13. INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Six months ended 30 June 2021 (Unaudited)		
	Investment properties <i>RMB'000</i>	Property, plant and equipment <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>
Cost			
At beginning of period	21,834	53,747	49,729
Additions	–	3,978	4,501
Disposals	–	(858)	–
At end of period	21,834	56,867	54,230
Accumulated depreciation			
At beginning of period	(11,357)	(29,144)	(16,788)
Depreciation charge for the period	(1,463)	(4,019)	(5,687)
Disposals	–	731	–
At end of period	(12,820)	(32,432)	(22,475)
Net book amount			
At end of period	9,014	24,435	31,755

13. INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

	Six months ended 30 June 2020 (Unaudited)		
	Investment properties	Property, plant and equipment	Right-of-use assets
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost			
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	21,834	46,309	47,504
Accumulated depreciation			
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	(9,727)	(26,874)	(12,087)
Net book amount			
At end of period	12,107	19,435	35,417

14. INTERESTS IN ASSOCIATES

The movement in interests in associates in the condensed consolidated statement of financial position is as follows:

	For the six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
At beginning of period	12,842	22,484
Share of (loss)/profit from interests in associates	(294)	999
Dividend from associates	–	(4,252)
At end of period	12,548	19,231

15. TRADE RECEIVABLES

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Trade receivables		
– related parties	104,841	70,402
– third parties	162,402	83,713
	267,243	154,115
Less: provision of impairment losses of trade receivables	(12,503)	(7,210)
Trade receivables – net	254,740	146,905

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:

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Within 1 year	227,071	132,867
1 – 2 years	35,443	18,302
Over 2 years	4,729	2,946
Total	267,243	154,115

15. TRADE RECEIVABLES (CONTINUED)

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of period	7,210	8,419
Provision of impairment of trade receivables	5,293	–
Reversal of impairment of trade receivables	–	(344)
At end of period	12,503	8,075

16. OTHER FINANCIAL ASSETS AT AMORTISED COST

Other financial assets at amortised cost include the following:

	As at	As at
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Other receivables		
– related parties	9,519	8,586
Payments on behalf of property owners, tenants and property developers	25,791	20,795
Deposits	4,134	2,666
Other	2,316	2,381
	41,760	34,428
Less: provision for impairment of other receivables	(575)	(565)
	41,185	33,863

16. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of period	565	225
Provision of impairment of other receivables	10	–
Reversal of impairment of other receivables	–	(11)
At end of period	575	214

17. SHARE CAPITAL

	Number of shares	Paid-in capital/ share capital
	'000	RMB'000
For the six months ended 30 June 2021 (unaudited)		
Balance as at 1 January 2021 (audited) and 30 June 2021	373,500	373,500
For the six months ended 30 June 2020 (unaudited)		
Balance as at 1 January 2020 (audited) and 30 June 2020	270,000	270,000

18. RESERVES

(a) Capital reserve

The capital reserve of the Group includes the share premium and the consideration in excess of the paid-in capital upon capital injection 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).

The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of registered capital. The statutory reserve is non-distributable. As at 30 June 2021 and 31 December 2020, statutory reserve is included in the consolidated retained earnings.

19. TRADE AND OTHER PAYABLES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade payables	136,812	85,566
Other payables		
– Receipts on behalf of property owners, tenants and property developers	185,106	160,001
– Deposits (note a)	108,323	144,197
– Others	38,007	21,316
Payroll and welfare payables	45,858	67,493
Dividend payables	68,890	–
Other tax payables	8,425	7,894
Total	591,421	486,467

- (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:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within 1 year	129,151	81,315
1 – 2 years	5,167	2,438
Over 2 years	2,494	1,813
Total	136,812	85,566

20. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Provision of property management and related services to subsidiaries of the Ultimate Parent Company	65,701	88,379
Provision of property management and related services to associates of the Ultimate Parent Company	30	4,488
Provision of property management and related services to a joint venture of the Ultimate Parent Company	816	–
Provision of property management and related services to the Ultimate Parent Company	1,032	–
Provision of property management and related services to associates	177	687
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	2,117	1,331
Brand licensing from the Ultimate Parent Company	50	25
Purchase of services from an associate	1,019	1,635
Rental expense to subsidiaries of the Ultimate Parent Company	3,610	4,522
Recognition of right-of-use assets on leased assets from subsidiaries of the Ultimate Parent Company	–	3,902
Interest expenses for lease liabilities to subsidiaries of the Ultimate Parent Company	650	848
Loans to an associate	–	743
Interest income from loans to an associate	–	66

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade in nature		
Trade receivables from subsidiaries of the Ultimate Parent Company	104,302	70,160
Trade receivables from an associate	539	242
Trade and other payables to subsidiaries of the Ultimate Parent Company	21,478	21,064
Contract liabilities to subsidiaries of the Ultimate Parent Company	6,114	3,472
Contract liabilities to an associate	–	236
Non-trade in nature		
Lease liabilities to subsidiaries of the Ultimate Parent Company	25,479	26,952
Deposit placed with a subsidiary of the Ultimate Parent Company	359,659	294,760
Other receivables from subsidiaries of the Ultimate Parent Company – Rental deposit	2,971	1,975
Loans to an associate and related interests	6,548	6,611

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel compensation

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, bonuses and other benefits	3,937	3,513

21. SUBSEQUENT EVENTS

Proposed acquisitions of 65% of equity interest in Zhuzhou Hongda Property Management Co., Ltd., 100% of equity interest in Beijing Yongtaiheng Health Service Centre and part of equity interest in a target company in Hong Kong

Please refer to the announcements dated 23 June 2021 published by the Company for further details. These acquisitions have not yet completed as at 30 June 2021.