



BUCCG

北京京城佳業物業股份有限公司

BEIJING CAPITAL JIAYE PROPERTY SERVICES CO., LIMITED

(於中華人民共和國註冊成立的股份有限公司)

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

股份代號 **Stock Code : 2210**



2022 INTERIM REPORT
中期報告

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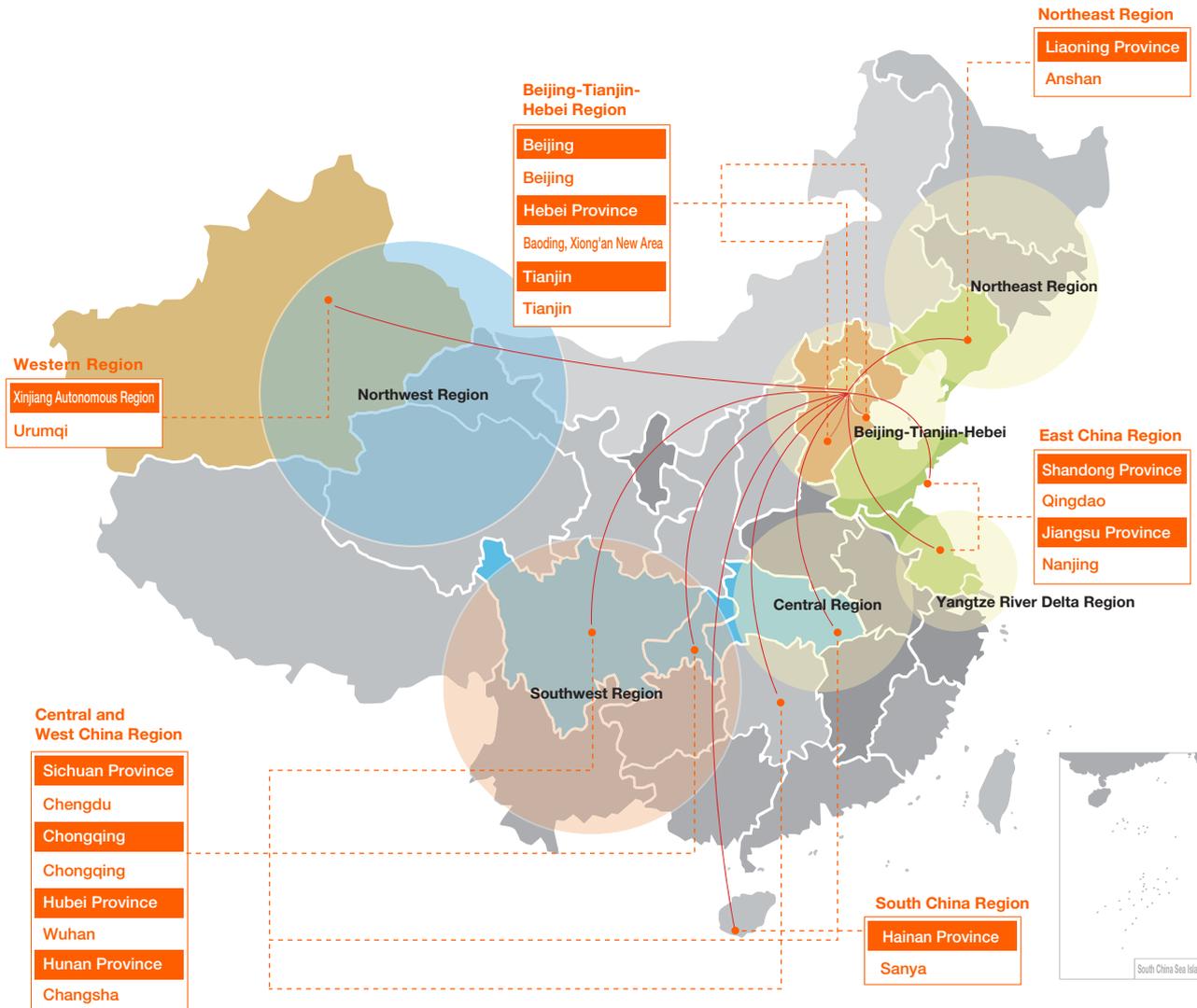
I. Corporation Information

Beijing Capital Jiaye Property Services Co., Limited (“**Capital Jiaye**” or the “**Company**”) was jointly founded by Beijing Urban Construction Group Co., Ltd. (“**BUCG**”) and Beijing Tianjie Group Co., Ltd. (“**Tianjie Group**”), a state-owned company of Dongcheng District in Beijing, on 22 December 2020. Capital Jiaye was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 November 2021 (stock code: 2210.HK) and is held as to 26.44%, 33.47%, 14.24%, 0.85% and 25% by BUCG and its affiliated company Beijing Urban Construction Investment & Development Co., Ltd. (“**BUCID**”), Beijing Uni.-Construction Group Co., Ltd. (“**BUCC**”), Tianjie Group and other holders of H Shares, respectively.

As at 30 June 2022, Capital Jiaye and its subsidiaries (the “**Group**” or “**We**”) have a total property area under management of more than 34.4 million sq.m. and operate a diversified range of properties, including office buildings, public buildings, hospitals, residences, and office buildings of party or government organizations, etc. Representative projects include the National Stadium (Bird’s Nest), office buildings in the sub-center of Beijing city, headquarters of large central enterprises, hutongs in the east and west of Beijing, etc. In addition to the basic business, the value-added business covers housing brokerage, case field service, property management on construction sites, catering services, heating energy supply operation, move-in and furnishing services. The Group has extensive experience in asset management and property services. The Group has developed a sound scientific management mechanism in the operation of commercial property assets and property services, and is a member unit of China Property Management Institute (中國物業管理協會) and vice president institution of the Beijing Property Management Association (北京物業管理協會). The Group has been recognized as one of the Top 100 Property Management Companies by China Index Academy for consecutive years. The Group ranked 21st among China’s Top 100 Property Management Companies in 2022.

As a “red housekeeper” of the capital city with strong guarantee, precise operation and maintenance, and the pursuit of excellence, Capital Jiaye will actively integrate into the national development strategy, expand its business across the country based in the capital city of China, develop towards a company deeply rooted in regional markets and featuring characteristic services, and strive to build itself into a “provider of best-in-class urban and lifestyle services with distinguished brand awareness nationwide” so as to contribute to the building of a good life in the new era!

I. Corporation Information





I. Corporation Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Weize (*Chairman of the Board*)
Mr. Yang Jun
Mr. Luo Zhou
Mr. Yao Xin

Non-executive Directors

Mr. Xie Ping
Mr. Mao Lei

Independent Non-executive Directors

Mr. Cheng Peng
Mr. Kong Weiping
Mr. Kong Chi Mo

BOARD COMMITTEE

Audit Committee

Mr. Kong Chi Mo (*Chairman*)
Mr. Xie Ping
Mr. Kong Weiping

Remuneration and Evaluation Committee

Mr. Cheng Peng (*Chairman*)
Mr. Yang Jun
(*ceased to be a member since 29 March 2022*)
Mr. Kong Weiping
Mr. Xie Ping (*appointed on 29 March 2022*)

Nomination Committee

Mr. Zhang Weize (*Chairman*)
Mr. Kong Weiping
Mr. Cheng Peng

Strategy and Investment and ESG Committee

(*renamed on 29 March 2022*)
Mr. Zhang Weize (*Chairman*)
Mr. Yang Jun
Mr. Luo Zhou
Mr. Mao Lei
Mr. Kong Weiping

Risk and Compliance Management Committee

Mr. Yang Jun (*Chairman*)
Mr. Zhang Weize
Mr. Xie Ping
Mr. Yao Xin
Mr. Kong Weiping

SUPERVISORY COMMITTEE

Mr. Liu Fengyuan (*Chairman*)
Mr. Wang Wei
Ms. Liu Fang

JOINT COMPANY SECRETARIES

Mr. Xu Lude (*resigned on 8 August 2022*)
Ms. Mok Ming Wai

AUTHORIZED REPRESENTATIVES

Mr. Zhang Weize
Ms. Mok Ming Wai

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong



I. Corporation Information

LEGAL ADVISERS

As to Hong Kong Law
Baker & McKenzie
14th Floor, One Taikoo Place, 979 King's Road,
Quarry Bay, Hong Kong

As to PRC Law
Beijing Ocean Law Firm
7/F, Building 4, 54 Shijingshan Road, Shijingshan
District, Beijing

COMPLIANCE ADVISER

Anglo Chinese Corporate Finance, Limited
40/F, Two Exchange Square, 8 Connaught Place,
Central, Hong Kong

PRINCIPAL BANK

China Construction Bank Beijing Beihuan Branch
1/F, Building A, Chengjian Plaza,
18 North Taipingzhuang Road, Haidian District,
Beijing, PRC

REGISTERED OFFICE

Room 301, 3rd Floor, Building 34, Fahuananli,
Dongcheng District, Beijing, PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

8/F, Building A, Chengjian Plaza,
18 North Taipingzhuang Road, Haidian District,
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place, 348 Kwun Tong Road,
Kowloon, Hong Kong (*changed on 15 August 2022*)

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wan Chai, Hong Kong

INVESTOR RELATIONS

Email: [jcjy@bcjps.com](mailto:jcyj@bcjps.com)

COMPANY'S WEBSITE

www.bcjps.com

STOCK CODE OF HONG KONG STOCK EXCHANGE

02210



II. Financial Summary

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2022	2021
Revenue (RMB million)	665.7	575.9
Gross profit (RMB million)	156.6	142.2
Gross profit margin	23.5%	24.7%
Profit for the period (RMB million)	53.1	45.9
Net profit margin	8.0%	8.0%
Profit for the period attributable to equity shareholders of the Company (RMB million)	52.4	44.8
Basic earnings per share (RMB)	0.36	0.41

For the six months ended 30 June 2022, the total revenue of the Group was approximately RMB665.7 million, representing an increase of approximately 15.6% as compared with approximately RMB575.9 million in the same period of 2021.

For the six months ended 30 June 2022, gross profit of the Group was approximately RMB156.6 million, representing an increase of approximately 10.1% as compared with approximately RMB142.2 million in the same period of 2021.

For the six months ended 30 June 2022, our profit for the period was approximately RMB53.1 million, representing an increase of approximately 15.7% from approximately RMB45.9 million in the same period of 2021.

As of 30 June 2022, our area under management was approximately 34.4 million sq.m., representing an increase of approximately 12.8% from approximately 30.5 million sq.m. as of 30 June 2021.



III. Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors (the “**Board**”), I am delighted to present the unaudited consolidated interim results of the Group for the six months ended 30 June 2022.

HALF YEAR REVIEW

As the first state-owned property management enterprise of Beijing Municipality listed on the Main Board of the Stock Exchange, the Group has been actively coordinating pandemic prevention and control and production and operation with the responsibility of state-owned enterprises as its top priority, high-quality development as its goal and reform and innovation as its driving force. The Group has gained success in expanding the market externally, promoted joint ventures and mergers and acquisitions in an orderly manner, and continued to improve the level of property services. In particular, in the course of the pandemic emergency security construction and the capital service tasks, the Group interpreted the mission of the property management staff with practical actions and highlighted the brand of “red housekeeper” with its pandemic combating efforts.

In the first half of 2022, despite the adverse impact of the recurring COVID-19 pandemic, the Company recorded steady growth in all operating indicators. For the first half of the year, the Group recorded a total revenue of approximately RMB665.7 million, representing an increase of approximately 15.6% over the same period in 2021; the Group's gross profit was approximately RMB156.6 million, representing an increase of approximately 10.1% over the same period in 2021; the Group's profit for the period was approximately RMB53.1 million, representing an increase of approximately 15.7% over the same period in 2021.

The management scale of the Company has been expanded effectively and the area under management of the Group has amounted to 34.4 million sq.m. as of 30 June 2022, representing an increase of 12.8% as of 30 June 2021. The Group has expanded its presence to 12 cities in 12 provinces and municipalities directly under the central government, with a total of 209 projects under management. The total area of contract management projects amounted to approximately 36.4 million sq.m. and the total number of contract management projects was 220. The Group successfully completed the equity acquisition of the first property enterprise, steadily promoted joint venture cooperation. It took an active role in the construction of Hainan Free Trade Port, and established the Jiaye Tourism (Hainan) City Service Co., Ltd. (佳業旅文(海南)城市服務有限責任公司) in cooperation with Sanya municipal enterprise in Hainan.

As shown by the relevant data of China Index Academy's property research, the Group ranked 21st among China's Top 100 Property Management Companies in 2022, up three places compared with the year of 2021, and was awarded the titles of “2022 China's Top 100 Property Management Companies Leading in Satisfaction” (2022中國物業服務百強滿意度領先企業), “China's Socially Responsible Property Management Services Enterprise of the Year in 2022” (2022中國物業服務年度社會責任感企業), “China Property Management Services Enterprise Featured Brand in 2022 – Property Management Services for Construction Sites” (2022中國特色物業服務領先企業-施工現場物業化), “China Property Management Services Enterprise Featured Brand in 2022 – Leading the Innovative Development of Hutong Property Services” (2022中國特色物業服務領先企業-引領胡同物業服務創新發展) and “China Property Management Services Enterprise Featured Brand in 2022 – Urban Service Street Management Property” (2022中國特色物業服務領先企業-城市服務街區治理型物業), etc.



III. Chairman's Statement

FUTURE PROSPECT

On the basis of clarifying its positioning, strategic objectives and development path, the Group will proceed with confidence in development, maintain the courage to rise to the challenge and enhance its core competitiveness in practice.

First, the scale of operations. Efforts will be made to achieve scale expansion through a combination of endogenous and outward expansion. In terms of region selection, the Beijing-Tianjin-Hebei region will be taken as the main battlefield to increase regional density. Attention will be paid to the market capacity and competitive landscape, and a differentiated competition model will be adopted for both volume and momentum growth. In terms of project selection, we will select projects with large scale and good development prospects, enrich non-residential business formats, establish benchmark projects, and renew old projects through urban renewal. In terms of expansion approach, the Group will adopt a strategy of steady and gradual progress and balanced quality, actively participate in market-based bidding to enhance bidding ability, leverage joint venture cooperation to achieve breakthroughs in new regions, upgrade to urban space services through property services, and expand the industrial chain through acquisitions and mergers. The Group will also integrate resources with potential partners to maximize benefits through the scale of operations.

Second, grid-based development. The Group will set up the idea of grid-based development, further emancipate the mind and broaden the horizon, focus on and study the logic behind the development of top industry players, and improve the resilience and elasticity of corporate development. Focusing on value-added services to bring into play the multiplier effect of the development of property enterprises, the Group will continue to delve into the application scenarios of lifestyle, productive and vital services, the coordination of multiple business operations scattered in various projects, the management of a large number of professional companies based on business development, the establishment of property cost management systems through down management, and the optimization of business models to expand the traffic of the revenue side and profit side. While delivering good basic services, the Group will screen out value-added services suitable for itself in practice and enhance operational effectiveness through grid-based development.

Third, intelligent management. Starting from the development mega-trend of combining application scenarios and intelligence, the Group will see to implement the overall solution for the digital transformation of the Company. Efforts will be made to enhance the operational efficiency of the Company through technological empowerment, and to build the Company's equipment IoT platform, data center, membership center, reporting center and business microservice capabilities. Through "business digitalization and digital operationalization", the Group will develop key digital transformation projects for integrated business and financial data sharing. The Group will provide technological empowerment in on-site service control, customer satisfaction guarantee, financial sharing center operation and community service platform support. Efforts will be made to create smart properties through technology empowerment, explore the application of smart technology in property service scenarios, and precisely match the property owners' living needs with services. Taking advantage of the digitalization of the property industry and the opportunity to build a global digital economy benchmark city in Beijing, we will play an intelligent first move in property management.



III. Chairman's Statement

Fourth, service branding. With the rapid concentration of property management enterprises, the competition between enterprises and brands will be gradually transformed into the competition for services, and service branding is the only way out for high-quality development in Beijing. We will continue to take customer demand as the guide, strengthen service consciousness, improve service ability, make service tangible, standardized and normative, and enhance enterprise identification through “standardized basic service, personalized value-added service and differentiated brand positioning”. We will make “Beijing Service” a model and benchmark for state-owned enterprises in Beijing. Meanwhile, by inheriting the red gene, we will create a good internal corporate atmosphere and show our brand and image to the investors in all aspects.

In the future, the Group will implement the development ideas of the state and the capital in the new era, continue to focus on “expanding scale, increasing efficiency, strengthening management and building brand”, and ramp up the foundation internally and expand the market externally. We will adhere to both performance growth and standardized governance, basic business improvement and new track layout, regional cultivation and characteristic services, and promote high-quality development in a multi-dimensional and stereoscopic manner. Finally, I would like to express my sincere gratitude to our shareholders and business partners for their support and trust, and to our management team and all employees for their perseverance and dedication.

Beijing Capital Jiaye Property Services Co., Limited
Zhang Weize
Chairman

Beijing, the PRC
30 August 2022



IV. Management Discussion and Analysis

INDUSTRY ANALYSIS

First, the property management industry is integrated into grassroots social governance. As the pandemic prevention and control efforts are accelerated, the property management industry is being brought into sharper focus, and the state is integrating the property management industry into social grassroots governance.

Second, diversified lifestyle services enjoy a great chance to aim at urban cities. Value-added services to community are an important part of the operating income of property services, and are what drive enterprises forward, and urban services are an important strategic deployment direction for property enterprises.

Third, smart technology enhances business efficiency and creates diversified service scenarios. The goal of smart technology fueling property enterprises to improve quality and efficiency is becoming a reality, and the expectation that technology advantages will improve the quality of property services is being fulfilled at an accelerated pace.

BUSINESS REVIEW

The Group's revenue comes from three main service lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) value-added services to community.

IV. Management Discussion and Analysis

Property management services – accounting for approximately 66.3% of total revenue

For the six months ended 30 June 2022, the Group's revenue from property management services was approximately RMB441.1 million, representing an increase of approximately 16.1% as compared to the same period in 2021, mainly due to the increase in the area and number of projects under management of the Group.

The following table sets forth a breakdown of the Group's area and number of projects under management by project source for the dates indicated:

Project source	As of 30 June					
	2022			2021		
	Area under management sq.m.'000	%	The number of projects under management	Area under management sq.m.'000	%	The number of projects under management
BUCG and its joint ventures or associates	19,514	56.7	129	18,237	59.8	120
Third parties	14,905	43.3	80	12,277	40.2	63
Total	34,419	100.0	209	30,514	100.0	183

As leading national construction and development groups, the sound development and support of the controlling shareholders, namely, BUCG, Beijing Urban Construction Investment & Development Co., Ltd. and Beijing Uni.-Construction Group Co., Ltd., have brought continuous business increment to the Group. As of 30 June 2022, the area of the Group's projects under management was approximately 34.4 million sq.m. and the area of projects under management from BUCG and its joint ventures or associates was approximately 19.5 million sq.m. The area of projects under management from third parties was approximately 14.9 million sq.m..

We continue to enhance our efforts in market development, take multiple measures to carry out marketing work, give full play to our own advantages, consolidate the advantages of our location in the Beijing-Tianjin-Hebei region, and expand across the national market. In the first half of 2022, we achieved a newly-signed area of approximately 2.9 million sq.m. and a new contract value of approximately RMB163.9 million.

The Group achieved continuous increase in market expanding in the first half of 2022, and the main measures include: first, further deepening cooperation with existing "large customers", expanding the cooperation scope and cooperation field, achieving an increase in management scale and management efficiency, and following this measure, the Group undertook the A5 and C6 urban sub-center projects; second, actively participating in government procurement and market competition, following this measure, the Group undertook the People's Theatre of the National Peking Opera Company and the Shouhou Dajia Pension Property in addition to traditional business; and third, actively responding to the "military-civilian integration" strategy and deeply participating in the socialization services of military logistics support.

The Group accelerated its diversification and multi-business development strategy to promote the expansion of commercial and public properties and other properties, particularly government office service, military camp management, etc. on the basis of the steady growth of residential management scale. As at 30 June 2022, the area under management of non-residential properties was approximately 11.4 million sq.m., representing approximately 33.0% in the management scale of the Group and a year-on-year increase of approximately 24.8%. During the period, the management revenue from non-residential properties amounted to approximately RMB217.9 million, representing a year-on-year increase of approximately 28.1% over 2021, and the proportion in the total revenue from property management services increased by 4.6 percentage points year-on-year to approximately 49.4%.

IV. Management Discussion and Analysis

The following table sets forth a breakdown of the Group's revenue, area under management and number of projects under management by property type for the periods or dates indicated:

Project type	2022					2021				
	Six months ended 30 June 2022		As of 30 June 2022			Six months ended 30 June 2021		As of 30 June 2021		
	Revenue		Area under management	The number of projects under management		Revenue		Area under management	The number of projects under management	
	RMB'000	%	sq.m.'000	%		RMB'000	%	sq.m.'000	%	
Residential properties	223,200	50.6	23,063	67.0	134	209,920	55.2	21,414	70.2	120
Non-residential properties	217,905	49.4	11,356	33.0	75	170,171	44.8	9,100	29.8	63
Total	441,105	100.0	34,419	100.0	209	380,091	100.0	30,514	100.0	183

As the “red housekeeper” of the capital, the Company renewed its efforts to refine its property service standard and quality control system, promote informatization, and empower business systems to build the property service brand of “Beijing Service” during the period.

In respect of residential properties, based on the concept of modern, personalized, specialized and family-oriented property service, the Group is committed to integrating the spiritual and cultural needs of property owners in the building of a harmonious society. During the period, the Group improved its operation efficiency through standardized services and customized value-added service system to optimize the service quality. The Company continues with project management training, and enhances the professional quality of project personnel and service quality and efficiency. As of 30 June 2022, the area of the residential properties under management of the Group was approximately 23 million sq.m., accounting for approximately 67.0% of the total area under management of the Group. For the six months ended 30 June 2022, the revenue from management service for residential properties amounted to approximately RMB223.2 million, representing an increase of approximately 6.3% as compared to the same period in 2021 and accounting for approximately 50.6% of the Group's total revenue from property management service.

During the period, through the acquisition of Beijing Zhuolian Property Management Co., Ltd. (“**Zhuolian Property**”), the Group harvested new high-end commercial projects such as Asia Financial Center, Beitou Investment Building* (北投投資大廈) and Beitou Shopping Park* (北投購物公園). As of 30 June 2022, the area of commercial property projects under the management of the Group was approximately 2 million sq.m.

In respect of hutong properties, the Group promotes the integration of property services into social governance, fully demonstrating the characteristics of hutong. The Group is committed to improving the safety and well-being of the residents through a government-led, multi-faceted and interactive model of property services governance. The Group continues exploring and making progress in the shift from neighborhood management to urban service management. As of 30 June 2022, the number of hutong projects under the management of the Group was six, with a total of 272 hutongs and approximately 6.6 million sq.m. of area under management.

IV. Management Discussion and Analysis

In respect of public and other properties, the Group provides an integrated logistics support service solution, while taking into account high security, demanding and high standard characteristics of management over public properties. The Group constantly expands its presence across multiple sectors, including urban scenic spots, government office buildings, urban public facilities and so on. As of 30 June 2022, the area of public property projects and other property projects under the management of the Group was approximately 2.7 million sq.m.

Value-added services to non-property owners – accounting for approximately 12.2% of total revenue

Value-added services to non-property owners mainly include (i) tenant sourcing and management services; (ii) sales office and display unit management and delivery services; (iii) landscape engineering services; (iv) engineering operations and maintenance services; and (v) engineering services at construction sites.

The following table sets forth a breakdown of revenue from value-added services to non-property owners of the Group by service type for the periods indicated:

Service type	Six months ended 30 June			
	2022		2021	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Tenant sourcing and management services	36,980	45.3	29,947	44.4
Sales office and display unit management and delivery services	22,902	28.1	21,866	32.4
Engineering operations and maintenance services	12,971	15.9	9,032	13.4
Others	8,744	10.7	6,671	9.8
Total	81,597	100.0	67,516	100.0

For the six months ended 30 June 2022, the Group's revenue from value-added services to non-property owners amounted to approximately RMB81.6 million, representing an increase of approximately 20.9% over the same period in 2021. This increase was primarily due to the increase in the number of projects of tenant sourcing and management services and projects of sales office and display unit management and delivery services as well as the rapid growth in engineering operations and maintenance services.

With many years of experience in sales office and display unit management and delivery services, the Group successively provided high quality services for renowned property sales offices, joined Union International Concierge Organization, and embedded perfect service philosophy of Concierge, bringing "Satisfactory and Surprising" quality service experience to customers. In the first half of 2022, seven new sales office service projects were added. The Group adopted personalized customization services based on the characteristics of projects, created happy lifestyle scenes for the future and brought good property purchase experience to buyers with high quality on-site services, thus facilitating the completion of transactions.

Engineering operation and maintenance services include engineering operation services, daily repair and maintenance management, and engineering renovation for buildings and facilities. We reduce energy consumption and carbon emissions through technological renovation and management improvement. Through the development of annual repair and maintenance management plans for overall engineering services, we maintain building equipment and facilities to ensure that they operate under optimal conditions and minimize the probability of breakdowns.

IV. Management Discussion and Analysis

In engineering services at construction sites, we undertook 11 new projects by increasing marketing efforts in the first half of 2022, and there were 23 construction property projects under management in aggregate. We conducted in-depth research on the characteristics and service mode of construction site property management, and formed the "Property Management Standard for Construction Sites". In respect of engineering service at construction sites, we established a good coordination and synergy with the engineering segment of BUCG Group, which was replicated and applied within the Group effectively and was expected to bring a considerable business increment.

Value-added services to communities – accounting for approximately 21.5% of total revenue

The Group provides value-added services to communities, including (i) heat energy supply services; (ii) carpark space operation services; (iii) catering services; (iv) property leasing services; (v) home decoration management services; and (vi) real estate brokerage services.

The following table sets forth a breakdown of revenue from value-added services to communities of the Group by service type for the periods indicated:

Service type	Six months ended 30 June		2021	
	2022	Percentage	Revenue	Percentage
	Revenue	of revenue	Revenue	of revenue
	RMB'000	%	RMB'000	%
Heat energy supply services	75,644	52.9	77,836	60.7
Carpark space operation services	21,881	15.3	21,730	16.9
Catering services	32,563	22.8	14,942	11.6
Others	12,904	9.0	13,782	10.8
Total	142,992	100.0	128,290	100.0

For the six months ended 30 June 2022, the Group's revenue from value-added services to communities amounted to approximately RMB143.0 million, representing an increase of approximately 11.5% over the same period in 2021, primarily due to (i) the expansion of the Group's management scale and the growth of service users; and (ii) the constant improvement of catering services.

Heat energy supply services: The revenue from heat energy supply services reached approximately RMB75.6 million, accounting for approximately 52.9% of total revenue from value-added services to communities. As of 30 June 2022, the Group has been responsible for the operation of heat energy supply of ten heat generation plants (30 projects) in Beijing, with a heating area of approximately 4.1 million sq.m. and serving about 42,000 households. Through advanced technology transformation and scientific and technological application, including the renewal of heating equipment burners and intelligent regulation of heat energy supply management, we continue to reduce carbon emissions and practice the national concept of ecological and environmental protection, so as to achieve energy-saving and efficient heat energy supply services, and become a warm service provider for customers.

Carpark space operation services: The revenue from carpark space operation services reached approximately RMB21.9 million, accounting for approximately 15.3% of total revenue from value-added services to communities. The Group operates and manages carpark space in properties under management, and provides targeted operation solutions such as order management, operation, and charge management. The Group makes good use of intelligent parking systems to save operation and labor costs, improve charging efficiency, and achieve cost reduction and efficiency increase.

IV. Management Discussion and Analysis

Catering services: The revenue from catering services reached approximately RMB32.6 million, accounting for approximately 22.8% of total revenue from value-added services to communities. The Group has a strong and professional project catering management team who strictly abides by the national regulations on food safety management, keeps pace with the times, and constantly innovates and studies all kinds of dishes, to provide customers with a clean and comfortable dining environment.

FINANCIAL REVIEW

Revenue

The following table sets out the breakdown of revenue by service lines during the indicated periods:

	Six months ended 30 June				
	2022		2021		Growth rate
	RMB'000	Percentage of revenue %	RMB'000	Percentage of revenue %	
Property management services	441,105	66.3	380,091	66.0	13.3
Value-added services to non-property owners	81,597	12.2	67,516	11.7	20.9
Value-added services to communities	142,992	21.5	128,290	22.3	19.6
Total	665,694	100.0	575,897	100.0	15.6

For the six months ended 30 June 2022, the total revenue of the Group was approximately RMB665.7 million, representing an increase of approximately 15.6% from approximately RMB575.9 million for the same period in 2021, primarily due to (i) an increase in revenue due to the continuous expansion of the Group's business scale; and (ii) the rapid development of value-added services of the Group during the period.

Cost of Sales

For the six months ended 30 June 2022, the cost of sales of the Group was approximately RMB509.1 million, representing an increase of approximately 17.4% from approximately RMB433.7 million for the same period in 2021. This increase was primarily due to more staff costs and outsourcing costs as a result of the increasing areas under management and projects under management of the Group.

IV. Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of the gross profit and gross profit margin of the Group by service lines during the indicated periods:

	Six months ended 30 June					
	2022	2022		2021		
	Gross profit	Gross profit	Gross profit	Gross profit	Gross profit	Gross profit
	(RMB'000)	ratio	margin	profit	ratio	margin
		%	%	(RMB'000)	%	%
Property management services	98,000	62.6	22.2	88,639	62.3	23.3
Value-added services to non-property owners	38,828	24.8	47.6	33,477	23.5	49.6
Value-added services to communities	19,745	12.6	13.8	20,112	14.2	15.7
Total	156,573	100.0	23.5	142,228	100.0	24.7

For the six months ended 30 June 2022, the gross profit margin of property management services of the Group was approximately 22.2% (the six months ended 30 June 2021: approximately 23.3%), the gross profit margin of value-added services to non-property owners of the Group was approximately 47.6% (the six months ended 30 June 2021: approximately 49.6%), and the gross profit margin of value-added services to communities of the Group was approximately 13.8% (the six months ended 30 June 2021: approximately 15.7%). During the reporting period, the gross profit margin of each service line of the Group was basically flat with the same period in 2021.

Administrative Expenses

For the six months ended 30 June 2022, the total administrative expenses of the Group were approximately RMB88.4 million, representing an increase of approximately 10.2% from approximately RMB80.2 million for the same period in 2021, primarily due to (i) the increase in employee compensation compared to the same period in 2021 due to the adjustment to the social security base; and (ii) the increase in audit fees and consulting fees after the listing of the Company in November 2021.

Other Income

For the six months ended 30 June 2022, other income was approximately RMB9.3 million, representing an increase of approximately 291.3% from approximately RMB2.4 million for the same period in 2021, primarily due to the change in fair value of investment properties and the foreign exchange gains.

Profit for the Period

For the six months ended 30 June 2022, the profit for the period of the Group was approximately RMB53.1 million, representing an increase of approximately 15.7% from approximately RMB45.9 million in the same period in 2021. The profit for the period attributable to the shareholders of the Group was approximately RMB52.4 million, representing an increase of approximately 16.9% from approximately RMB44.8 million in the same period in 2021; the net profit margin was approximately 8.0%, basically flat with the same period in 2021. The increase in profit for the period was primarily due to (i) an increase in revenue as a result of the continuous expansion of the Group's management scale; and (ii) the effective costs control of the Group for the period.



IV. Management Discussion and Analysis

Current Assets and Capital Structure

The Group maintained an excellent financial position and adequate liquidity for the six months ended 30 June 2022. As at 30 June 2022, the current assets were approximately RMB1,633.4 million, representing an increase of approximately 4.6% from approximately RMB1,561.5 million as at 31 December 2021.

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. As of 30 June 2022, the Group's cash and cash equivalents amounted to approximately RMB1,023.7 million, representing a decrease of approximately 5.8% from approximately RMB1,087.3 million as at 31 December 2021, primarily due to the expansion of our management scale.

As of 30 June 2022, the total equity of the Group amounted to approximately RMB741.3 million, representing an increase of approximately 5.3% from approximately RMB704.2 million as at 31 December 2021, primarily due to the profit contribution achieved during the period.

As of 30 June 2022, the Group's debt-to-asset ratio was approximately 61.7%, representing an increase of approximately 0.2 percentage points from approximately 61.5% as at 31 December 2021. The debt-to-asset ratio refers to the ratio of total liabilities to total assets.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of buildings, properties leased for own use, office and other equipment. As at 30 June 2022, the Group's property, plant and equipment amounted to approximately RMB53.0 million, representing an increase of approximately RMB19.4 million from approximately RMB33.6 million as at 31 December 2021, primarily due to the increase in the purchase of container houses, electronic office equipment and leasehold for the Group's business operations.

Investment Properties

Our investment properties primarily include our investment in real estate properties. As at 30 June 2022, the Group's leased assets and investment properties amounted to approximately RMB107.4 million, representing an increase of approximately RMB2.2 million from approximately RMB105.2 million as at 31 December 2021, primarily due to the change in the fair value of the Group's investment properties.

Prepayments, Trade and other Receivables

As of 30 June 2022, prepayments, trade and other receivables amounted to approximately RMB595.3 million, representing an increase of approximately RMB132.8 million from approximately RMB462.5 million as at 31 December 2021, primarily due to the expansion of our management scale.

Other receivables of the Group mainly comprised payments on behalf of customers and deposits paid for the provision of property management services. Other receivables of the Group increased from approximately RMB14.7 million as of 31 December 2021 to approximately RMB22.0 million as of 30 June 2022, primarily due to the increase of deposits and other receivables.

Trade and Other Payables

As of 30 June 2022, trade and other payables amounted to approximately RMB851.8 million, representing an increase of approximately RMB119.7 million from approximately RMB732.1 million as at 31 December 2021, which was primarily due to increased costs arising from the increasing scale of business and outstanding payment terms.



IV. Management Discussion and Analysis

Other payables of the Group mainly comprised housing maintenance funds payable, payables to related parties and deposits received from landlords and tenants for renovation and utilities. Other payables of the Group increased from approximately RMB503.4 million as at 31 December 2021 to approximately RMB524.9 million as at 30 June 2022, along with the development of our business.

Capital Expenditure

Our capital expenditure was approximately RMB13.9 million for the six months ended 30 June 2022 (approximately RMB16.3 million for the year ended 31 December 2021), which was mainly used for the purchase of container houses as well as office and other equipment.

Borrowing

As at 30 June 2022, the Group did not have any borrowings or bank loans.

Pledge of Assets

As at 30 June 2022, the Group did not have any pledge on its assets.

Significant Investments, Material Acquisitions and Disposals and Future Plans

For the six months ended 30 June 2022, the Group did not have any significant investments, material acquisitions and disposals. However, the Group has the following acquisition and investment.

On 29 April 2022, the Company entered into equity transfer agreements on the acquisition of 60% equity interest in Zhuolian Property at a consideration of RMB7.8 million. The acquisition was completed during the reporting period. Zhuolian Property thus became a subsidiary of the Company and its financial results were consolidated into the consolidated financial statements of the Group. For details, please refer to the announcement of the Company dated 29 April 2022.

On 11 May 2022, the Company entered into a promoters agreement with Sanya Tourism Group Commercial Operation Management Co., Ltd. (三亞旅文集團商業運營管理有限公司) to establish a joint venture company, namely Jiaye Tourism (Hainan) City Service Co., Ltd. (佳業旅文(海南)城市服務有限責任公司) (“**Jiaye Tourism**”), with a registered capital of RMB10.0 million, of which the Company contributed RMB5.1 million in cash to hold 51% equity interest in Jiaye Tourism. For details, please refer to the announcement of the Company dated 11 May 2022.

In addition, except for the expansion plans disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Company’s prospectus dated 29 October 2021 (the “**Prospectus**”), there were no significant investments or acquisition of capital assets authorised by the Board as of the date of this report, and the Group will continue to identify new opportunities for business development.

The Proceeds from the Listing

The Company’s H shares were successfully listed on the Stock Exchange on 10 November 2021, and 36,667,200 H shares were issued. After deducting underwriting fees and related expenses, the net proceeds from the listing (the “**Net Proceeds**”) were approximately HK\$246.91 million.

As of 30 June 2022, the Net Proceeds were used as planned. The portion of the Net Proceeds that had not been used were placed as interest-bearing deposits with domestic bank account for proceeds. The Company intends to use the Net Proceeds in accordance with the method and schedule set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

IV. Management Discussion and Analysis

As at 30 June 2022, details of the use of the Net Proceeds of the Group were as follows:

Purposes	Percentage of total amount	Planned use of net proceeds <i>HK\$ Million</i>	Actual use of proceeds as of 31 December 2021 <i>HK\$ Million</i>	Unused amount as of 31 December 2021 <i>HK\$ Million</i>	Actual use of proceeds as of 30 June 2022 <i>HK\$ Million</i>	Unused amount as of 30 June 2022 <i>HK\$ Million</i>	Expected timeline for full utilization of the remaining proceeds
Strategic investment and acquisition	60%	148.15	-	148.15	9.33	138.82	On or before 31 December 2024
Development of value-added services	25%	61.73	-	61.73	-	61.73	On or before 31 December 2024
- Expanding tenant sourcing and management services	15%	37.04	-	37.04	-	37.04	On or before 31 December 2024
- Diversifying community value-added services	10%	24.69	-	24.69	-	24.69	On or before 31 December 2024
Developing and upgrading our information technology infrastructure and intelligent equipment	10%	24.69	-	24.69	-	24.69	On or before 31 December 2024
- Upgrading the internal operation system	4%	9.88	-	9.88	-	9.88	On or before 31 December 2024
- Promoting the application of IoT technologies	3%	7.41	-	7.41	-	7.41	On or before 31 December 2024
- Upgrading our intelligent lifestyle service platform for property owners and residents	3%	7.41	-	7.41	-	7.41	On or before 31 December 2024
Working capital and for general corporate purposes	5%	12.35	-	12.35	4.47	7.88	On or before 31 March 2023
Total	100%	246.91	-	246.91	13.8	233.11	



IV. Management Discussion and Analysis

Contingent Liabilities

As at 30 June 2022, the Group did not have any material contingent liabilities.

Foreign Exchange Risk

The Group conducts its business in Renminbi. Our foreign exchange transactions mainly came from the proceeds from the listing and payment of professional fees denominated in Hong Kong dollars. As at 30 June 2022, the principal non-RMB assets were cash and cash equivalents of approximately HK\$3.8 million (equivalent to approximately RMB3.2 million). The Group is not expected to be subject to any significant risk relating to fluctuations in exchange rates. The Group has not adopted any foreign currency hedging policies for now. Notwithstanding all these, the Group will continue to keep track of the foreign exchange risk and take prudent measures to mitigate it, and take appropriate action where necessary.

Employees and Benefit Policy

As at 30 June 2022, the Group had 2,138 employees (as at 31 December 2021: 2,051 employees). The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions in order to encourage value creation of employees. The Group also provides employees with employee benefits including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund. The Group places a strong emphasis on recruiting high-quality personnel and provides employees with continuous training programs and career development opportunities. Through creating talent teams including senior management, project managers, project junior staff and professionals, the Group provides more comprehensive job training for our employees.

Subsequent Events

Save as disclosed in this report, no significant events subsequent to 30 June 2022 and up to the date of this report that might have a material impact on the Group's operating and financial performance need to be disclosed.



V. Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Company has complied with all the applicable code provisions of the Corporate Governance Code during the six months ended 30 June 2022.

COMPLIANCE WITH THE 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 a code of conduct for securities transactions by the Directors and supervisors (the “**Supervisors**”) of the Company. The Company has made specific enquiries to all Directors and Supervisors and they all have confirmed that they had complied with the Model Code during the six months ended 30 June 2022.

PUBLIC FLOAT

Based on the published information and to the knowledge of the Directors, during the six months ended 30 June 2022 and as at the date of this report, the Company maintained sufficient public float in compliance with the Listing Rules.

DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, none of the Directors, Supervisors and chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO); or which are recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Securities Dealing Code.

V. Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the persons (other than Directors, Supervisors and chief executives of the Company) or corporations who had an interest or short position in the shares and/or underlying shares of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Shareholder	Class of Shares	Capacity	Number of Shares/ underlying Shares held (shares) ^(Note 1)	Percentage of shareholding in the relevant class of Shares (%) ^(Note 2)	Percentage of shareholding in the total Shares (%) ^(Note 3)
Beijing Urban Construction Group Co., Ltd. ^(Note 4)	Domestic Shares	Beneficial owner	38,779,865(L)	35.25	26.44
		Interest held by a controlled corporation	69,973,674(L)	63.61	47.71
Beijing Urban Construction Investment & Development Co., Ltd. ^(Note 4)	Domestic Shares	Beneficial owner	49,092,189(L)	44.63	33.47
Beijing Uni.-Construction Group Co., Ltd. ^(Note 4)	Domestic Shares	Beneficial owner	20,881,485(L)	18.98	14.24
Hua An Fund Management Co., Ltd. (on behalf of Hua An Fund – Jinying QDII Single Asset Management Plan and Hua An Fund – Jinxi QDII Single Asset Management Plan) ^(Note 5)	H Shares	Asset manager	7,438,400(L)	20.29	5.07
Beijing Urban Construction Sixth Group Co., Ltd. ^(Note 5)	H Shares	Principal	3,719,200(L)	10.14	2.54
Beijing Urban Construction Great Wall Construction Group Co., Ltd. (北京城建長城建設集團有限公司) ^(Note 5)	H Shares	Principal	3,719,200(L)	10.14	2.54
Lushang Group (Hongkong) Co., Limited ^(Note 6)	H Shares	Beneficial owner	5,002,800(L)	13.64	3.41
HWABAO TRUST CO., LTD ^(Note 7)	H Shares	Trustee	3,686,000(L)	10.05	2.51
Beijing Urban Construction North Group Co., Ltd. ^(Note 7)	H Shares	Principal	3,686,000(L)	10.05	2.51
Hu Junxing (胡軍省) ^(Note 8)	H Shares	Interest held by a controlled corporation	3,617,600(L)	9.87	2.47
Caitong Fund Caitong Overseas No.130 (QDII) Single Asset Management Plan ^(Note 8)	H Shares	Trustee	3,617,600(L)	9.87	2.47
Caitong Securities Co., Ltd. ^(Note 9)	H Shares	Interest held by a controlled corporation	3,617,600(L)	9.87	2.47
Glodon Company Limited (廣聯達科技股份有限公司) ^(Note 10)	H Shares	Interest held by a controlled corporation	5,132,400(L)	14.00	3.50
Keltic Investment (HK) Limited	H Shares	Beneficial owner	8,065,200(L)	22.00	5.50

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.
- Calculated based on the Company's 110,000,000 domestic shares or 36,667,200 H shares in issue as at 30 June 2022.
- Calculated based on the total number of 146,667,200 shares of the Company in issue as at 30 June 2022.
- 41.86% of the shares of BUCID are held by BUCG; BUCC is directly and wholly owned by BUCG.



V. Corporate Governance and Other Information

5. Based on the disclosure of interests form submitted by Hua An Fund Management Co., Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, Hua An Fund Management Co., Ltd. is the asset manager of two QDII asset management plan products including (1) Hua An Fund – Jinying QDII Single Asset Management Plan and (2) Hua An Fund – Jinxi QDII Single Asset Management Plan. Based on the disclosure of interests form submitted by Beijing Urban Construction Sixth Group Co., Ltd. on 11 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction Sixth Group Co., Ltd. is the principal of the above-mentioned Hua An Fund – Jinxi QDII Single Asset Management Plan. Based on the disclosure of interests form submitted by Beijing Urban Construction Great Wall Construction Group Co. Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction Great Wall Construction Group Co. Ltd. is the principal of the above-mentioned Hua An Fund – Jinying QDII Single Asset Management Plan.
6. Based on the disclosure of interests form submitted by Lushang Group (Hongkong) Co., Limited on 19 November 2021 in respect of the relevant event that occurred on 10 November 2021, Lushang Group (Hongkong) Co., Limited holds 5,002,800 H shares of the Company as a beneficial owner.
7. Based on the disclosure of interests form submitted by Beijing Urban Construction North Group Co., Ltd. on 12 November 2021 and HWABAO TRUST CO., LTD on 18 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction North Group Co., Ltd. holds 3,686,000 H shares of the Company (as an asset principal) through the investment product – Hwabao Overseas Market Investment II (45-15 QDII Single Fund Trust) of HWABAO TRUST CO., LTD (as a trustee).
8. Based on the disclosure of interests form submitted by Hu Junxing on 15 November 2021 and Caitong Fund Caitong Overseas 130 (QDII) Single Asset Management Plan on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through Beijing Urban Construction Far East Construction Investment Group Co., Ltd. Beijing Urban Construction Far East Construction Investment Group Co., Ltd. is 55% owned by Beishi Investment Group Co., Ltd., which is 51.35% owned by Hu Junxing. Beijing Urban Construction Far East Construction Investment Group Co., Ltd. (as an asset principal) holds 3,617,600 H shares of the Company through Caitong Fund Caitong Overseas 130 (QDII) Single Asset Management Plan.
9. Based on the disclosure of interests form submitted by Caitong Securities Co., Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through Caitong Fund Management Co., Ltd. Caitong Fund Management Co., Ltd. is 40% owned by Caitong Securities Co., Ltd.
10. Based on the disclosure of interests form submitted by Glodon Company Limited on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through its direct wholly-owned subsidiary Glodon (Hong Kong) Software Limited. Diao Zhizhong indirectly controls 16% of the equity of Glodon Company Limited.

As at 30 June 2022, the Company had not been notified of any other interests or short positions held by any other person in the shares or underlying shares of the Company which were required to be recorded or otherwise disclosed to the Company under the SFO.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

After the Company issued 36,667,200 new H Shares at HK\$8.28 per share on 10 November 2021, the total issued shares of the Company were 146,667,200 Shares, including 110,000,000 domestic shares and 36,667,200 H Shares.

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2022.



V. Corporate Governance and Other Information

IMPORTANT CORPORATE GOVERNANCE MATTERS DURING AND AFTER THE REPORTING PERIOD

Adjustment of Business Scope and Amendment to the Articles of Association

In order to broaden our property services and business boundaries, promote the development of our diversified business operations, and enhance the Company's market competitiveness, and taking into account needs and actual conditions of the Company in its business development, combining the strategic development plan of the Company, the Company adjusted the its business scope and amended its articles of association accordingly, which were considered and approved at the Company's annual general meeting held on 31 May 2022. For details, please refer to the Company's circular dated 28 April 2022.

Change of Member of the Remuneration and Evaluation Committee

In order to further improve the corporate governance structure of the Company, taking into account the needs of the Company's operation and development and the actual situation of the Company, the Board held a meeting on 29 March 2022 to adjust the members of the remuneration and evaluation committee. After the adjustment, members of the remuneration and evaluation committee are Mr. Xie Ping, Mr. Cheng Peng and Mr. Kong Weiping, and Mr. Cheng Peng is the chairman of the remuneration and evaluation committee. For details, please refer to the Company's announcement dated 29 March 2022.

Rename of the Strategy and Investment Committee and Adjustment of Its Responsibilities

In order to further strengthen the construction of the Board and promote the sustainable development of the Company in combination with ESG management policies, the Board held a meeting on 29 March 2022 to rename the strategy and investment committee as the strategy and investment and ESG committee and adjusted its responsibilities. The amended working rules of the committee were published on the websites of the Company (www.bcjps.com) and the Stock Exchange (www.hkexnews.hk) on 29 March 2022.

Resignation of Joint Company Secretary

Mr. Xu Lude resigned as a joint company secretary of the Company on 8 August 2022. Following Mr. Xu Lude's resignation, Ms. Mok Ming Wai, the other current joint company secretary of the Company, who possesses the qualification of a company secretary as required under Rule 3.28 of the Listing Rules, remains in office as the company secretary of the Company. For details, please refer to the Company's announcement dated 8 August 2022. The Company is in the process of identifying a suitable candidate to fill the vacancy of joint company secretary of the Company. Further announcement will be made by the Company in relation to such appointment as and where appropriate.

INTERIM ACCOUNTS REVIEW BY AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") in compliance with Appendix 14 to the Listing Rules, with its working rules in writing. The Audit Committee, authorized by the Board, is responsible for reviewing and supervising the Group's financial reporting, risk management and internal control systems, and assisting the Board in performing its audit responsibilities of the Company. The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practice adopted by the Group, and also discussed issues related to financial reporting, including the review of the Group's unaudited interim results for the six months ended 30 June 2022. The Audit Committee is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board did not recommend the declaration of the interim dividend for the six months ended 30 June 2022 (as of the six months ended 30 June 2021: nil).



VI. Review Report

Review report to the Board of Directors of Beijing Capital Jiaye Property Services Co., Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 26 to 50 which comprises the consolidated statement of financial position of Beijing Capital Jiaye Property Services Co., Limited (the “Company”) as of 30 June 2022 and the related consolidated statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report 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 the interim financial report consists of making enquiries, 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 interim financial report as at 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 August 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022 – unaudited
(Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Revenue	4	665,694	575,897
Cost of sales		(509,121)	(433,669)
Gross profit		156,573	142,228
Other income	5	9,317	2,381
Administrative expenses		(88,412)	(80,212)
Selling expenses		(3,773)	(5,007)
Expected credit loss on trade and other receivables	6(d)	(10,797)	(5,911)
Profit from operations		62,908	53,479
Finance income	6(a)	10,449	7,609
Finance costs	6(b)	(1,147)	(1,328)
Profit before taxation	6	72,210	59,760
Income tax	7	(19,113)	(13,872)
Profit for the period		53,097	45,888

The notes on pages 33 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note15.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022 – unaudited
(Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Profit for the period		53,097	45,888
Other comprehensive income for the period			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations		20	446
Income tax relating to remeasurement of defined benefit obligations		(5)	(112)
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserves		(30)	580
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		7	(145)
Other comprehensive income for the period		(8)	769
Total comprehensive income for the period		53,089	46,657
Profit attributable to:			
Equity shareholders of the Company		52,437	44,839
Non-controlling interests		660	1,049
		53,097	45,888
Total comprehensive income attributable to:			
Equity shareholders of the Company		52,429	45,607
Non-controlling interests		660	1,050
		53,089	46,657
Earnings per share (RMB)	8	0.36	0.41

The notes on pages 33 to 50 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2022 – unaudited
(Expressed in RMB)

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current assets			
Investment properties	9	107,370	105,230
Property, plant and equipment	10	53,041	33,637
Intangible assets	11	11,057	2,849
Other financial assets		95,697	95,727
Deferred tax assets		36,647	32,239
		<u>303,812</u>	<u>269,682</u>
Current assets			
Inventories		5,768	5,645
Prepayments, trade and other receivables	12	595,344	462,465
Restricted cash	13	8,626	6,052
Cash and cash equivalents	13	1,023,699	1,087,296
		<u>1,633,437</u>	<u>1,561,458</u>
Current liabilities			
Trade and other payables	14	851,799	732,113
Contract liabilities		227,441	273,682
Lease liabilities		2,309	3,428
Current taxation		11,854	16,558
		<u>1,093,403</u>	<u>1,025,781</u>
Net current assets		<u>540,034</u>	<u>535,677</u>
Total assets less current liabilities		<u>843,846</u>	<u>805,359</u>
Non-current liabilities			
Lease liabilities		1,027	1,469
Deferred tax liabilities		35,233	33,341
Defined benefit obligations		66,321	66,342
		<u>102,581</u>	<u>101,152</u>
NET ASSETS		<u>741,265</u>	<u>704,207</u>

The notes on pages 33 to 50 form part of this interim financial report.



Consolidated Statement of Financial Position

At 30 June 2022 – unaudited
(Expressed in RMB)

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
CAPITAL AND RESERVES			
Share capital	15	146,667	146,667
Reserves		563,377	534,136
Total equity attributable to equity shareholders of the Company		710,044	680,803
Non-controlling interests		31,221	23,404
TOTAL EQUITY		741,265	704,207

Approved and authorised for issue by the board of directors on 30 August 2022.

Name: Zhang Weize

Position: Chairman of the Board

Name: Yang Jun

Position: Director

The notes on pages 33 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 – unaudited
(Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserves RMB'000	Defined benefit obligation remeasurement reserve RMB'000	Fair value reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2021		110,000	74,133	-	(2,861)	1,999	208,842	392,113	22,009	414,122
Changes in equity for the six months ended 30 June 2021:										
Profit for the period		-	-	-	-	-	44,839	44,839	1,049	45,888
Other comprehensive income		-	-	-	333	435	-	768	1	769
Total comprehensive income		-	-	-	333	435	44,839	45,607	1,050	46,657
Balance at 30 June 2021 and 1 July 2021		110,000	74,133	-	(2,528)	2,434	253,681	437,720	23,059	460,779
Changes in equity for the six months ended 31 December 2021:										
Profit for the period		-	-	-	-	-	37,914	37,914	345	38,259
Other comprehensive income		-	-	-	(2,333)	553	-	(1,780)	-	(1,780)
Total comprehensive income		-	-	-	(2,333)	553	37,914	36,134	345	36,479
Issue of shares	15(b)	36,667	170,282	-	-	-	-	206,949	-	206,949
Appropriation to statutory reserve		-	-	49	-	-	(49)	-	-	-
Balance at 31 December 2021		146,667	244,415	49	(4,861)	2,987	291,546	680,803	23,404	704,207

The notes on pages 33 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 – unaudited
(Expressed in RMB)

Attributable to equity shareholders of the Company									
Note	Share capital	Capital reserve	Statutory surplus reserves	Defined benefit	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
				remeasurement reserve					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Note 15(b)									
Balance at 1 January 2022	146,667	244,415	49	(4,861)	2,987	291,546	680,803	23,404	704,207
Changes in equity for the six months ended 30 June 2022:									
Profit for the period	-	-	-	-	-	52,437	52,437	660	53,097
Other comprehensive income	-	-	-	15	(23)	-	(8)	-	(8)
Total comprehensive income	-	-	-	15	(23)	52,437	52,429	660	53,089
Dividends approved in respect of the previous years	15(a)	-	-	-	-	(23,188)	(23,188)	-	(23,188)
Capital injection from non-controlling shareholders		-	-	-	-	-	-	1,960	1,960
Acquisition of a subsidiary	16	-	-	-	-	-	-	5,197	5,197
Balance at 30 June 2022	146,667	244,415	49	(4,846)	2,964	320,795	710,044	31,221	741,265

The notes on pages 33 to 50 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2022 – unaudited
(Expressed in RMB)

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Operating activities			
Cash (used in)/generated from operations		(7,093)	51,612
Income taxes paid		(27,997)	(79,262)
Net cash used in operating activities		(35,090)	(27,650)
Investing activities			
Purchases of property, plant and equipment		(13,775)	(951)
Purchases of intangible assets		(86)	–
Repayment of advances to related parties		–	220,000
Proceeds from disposal of property, plant and equipment		1	–
Acquisition of a subsidiary, net of cash acquired	16	(2,168)	–
Interest received		–	4,380
Net cash (used in)/generated from investing activities		(16,028)	223,429
Financing activities			
Dividends paid		(17,391)	–
Capital element of lease rentals paid		(1,433)	(1,747)
Interest element of lease rentals paid		(281)	(331)
Capital injection from non-controlling shareholders		1,960	–
Listing expense paid		–	(7,737)
Net cash used in financing activities		(17,145)	(9,815)
Net (decrease)/increase in cash and cash equivalents		(68,263)	185,964
Cash and cash equivalents at 1 January	13	1,087,296	747,044
Effect of foreign exchange rate changes	5	4,666	–
Cash and cash equivalents at 30 June	13	1,023,699	933,008

The notes on pages 33 to 50 form part of this interim financial report.



VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 CORPORATION INFORMATION

Beijing Capital Jiaye Property Services Co., Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 22 December 2020 as a joint stock company with limited liability. The address of the Company’s registered office is Room 301, Building 34, Fahuananli, Dongcheng District, Beijing, the PRC. The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 November 2021.

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

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG 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 (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 25.



VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to IAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are the provision of property management services, community value-added services and value-added services to non-property owners. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(a) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

For property management services, the Group recognises revenue when the services are provided on monthly basis and recognises to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group has elected the practical expedient not to disclose the remaining performance obligations for this type of contracts. The majority of the property management services do not have a fixed term.

For community value-added services and value-added services to non-property owners, they are rendered in short period of time and there is no significant unsatisfied performance obligation at the end of the reporting period.

(b) Segment reporting

The directors of the Company have been identified as the Group's most senior executive management. Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resource to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assesses the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

No geographical segment analysis is shown as all of the Group's revenue are derived from activities in, and from customers located in the PRC and all of the Group's assets are situated in the PRC.

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and disaggregation of revenue by major service lines is as follows:

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by timing of revenue recognition		
– Revenue recognised over time	656,021	569,621
Revenue from other sources		
– Rental income	9,673	6,276
	665,694	575,897
Disaggregated by service lines		
– Property management services	441,105	380,091
– Value-added services to non-property owners	81,597	67,516
– Community value-added services	142,992	128,290
	665,694	575,897

For the six months ended 30 June 2022, revenue from Beijing Urban Construction Group Co., Ltd. (“BUCG”) and its subsidiaries (together, the “BUCG Group”) contributed 20.5% of the Group’s revenue (six months ended 30 June 2021: 18.1%). Other than the BUCG Group, the Group’s customer base is diversified and none of them contributed 10% or more of the Group’s revenue during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5 OTHER INCOME

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Fair value gain of investment properties (Note 9)		2,140	390
Net gain on disposal of property, plant and equipment		(65)	(16)
Additional deduction of input value-added tax ("VAT")	(i)	1,667	2,154
Net foreign exchange gains		4,666	–
Others		909	(147)
		9,317	2,381

Note:

- (i) Pursuant to Caishui [2019] No. 87 Announcement on Clarifying the VAT Weighted Deduction Policy for the Life Service Sector, taxpayers engaging in the provision of life services are allowed to deduct extra 15% of the deductible input VAT for the six months ended 30 June 2022.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

(a) Finance income

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest income on bank deposits	10,449	5,482
Interest income on receivables from related parties	–	2,127
	10,449	7,609

(b) Finance costs

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest on defined benefit obligations	1,051	903
Interest on lease liabilities	96	425
	1,147	1,328

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

6 PROFIT BEFORE TAXATION (Continued)

(c) Staff costs

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Salaries, wages and other benefits		191,858	183,405
Expenses recognised in respect of defined benefit retirement plans		445	2,105
Contributions to defined contribution retirement plan	(i)	16,792	16,455
		209,095	201,965

Note:

- (i) Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(d) Other items

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Amortisation cost of intangible assets	361	239
Depreciation charge		
– Owned property, plant and equipment	4,863	3,316
– Other properties leased for own use carried at cost	2,100	2,204
Bank charges	677	694
Expected credit loss on trade and other receivables		
– Trade receivables	10,837	5,911
– Other receivables	(40)	–
Auditors' remuneration		
– Audit services	800	19
Listing expenses	–	482

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

7 INCOME TAX

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Current tax – PRC Corporate Income Tax		
Provision for the period	23,191	15,700
Deferred tax		
Origination and reversal of temporary differences	(4,078)	(1,828)
	19,113	13,872

Note:

The provision for PRC Corporate Income Tax for the six months ended 30 June 2022 is calculated at 25% of the estimated assessable profits for the period (six months ended 30 June 2021: 25%), except for one subsidiary of the Group, Beijing Urban Construction Chongqing Property Management Co., Ltd. (“Chongqing Property”).

Chongqing Property, as the enterprise engaged in state encouraged industries established in the specified western regions, was taxed at a preferential income tax rate of 15% pursuant to Caishui [2011] No. 58 Notice on Issues Concerning Relevant Tax Policies to In-depth Implementation of the Western Development Strategy and Announcement [2012] No.12 Public Announcement on Corporate Income Tax Issues Relating to In-depth Implementation of the Western Development Strategy.

8 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB52,437,000 (six months ended 30 June 2021: RMB44,839,000) and the weighted average of 146,667,200 ordinary shares (six months ended 30 June 2021: 110,000,000 shares) in issue during the interim period.

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the six months ended 30 June 2022 and 2021.

9 INVESTMENT PROPERTIES

The Group leases out residential and commercial properties under operating lease. The leases typically run for an initial period of 1 to 5 years, with an option to renew the leases after that date at which time all terms are renegotiated.

The valuations of investment properties carried at fair value were updated at 30 June 2022 by the Group's independent valuer using the same valuation techniques as were used when carrying out the December 2021 valuations.

As a result of the update, a net gain of RMB2,140,000 (six months ended 30 June 2021: RMB390,000), and deferred tax thereon of RMB535,000 (six months ended 30 June 2021: RMB98,000), has been recognised in profit or loss for the period in respect of investment properties.

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired certain equipment, mainly items of removable houses with a cost of RMB26,561,000 (six months ended 30 June 2021: RMB1,147,000).

During the six months ended 30 June 2022, the Group entered into a lease agreement for use of a garage, and therefore recognised the additions to right-of-use assets of RMB287,000.

11 INTANGIBLE ASSETS

During the six months ended 30 June 2022, additional intangible assets of the Group mainly represented intangible assets of RMB6,165,000 acquired in the business combination (Note 16).

12 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade receivables		
– related parties (Note 18(b))	150,333	114,900
– third parties	431,743	296,641
	582,076	411,541
Less: allowance for trade receivables	(72,419)	(61,582)
	509,657	349,959
Other receivables due from related parties (Note 18(b))	2,056	2,274
Dividends receivable (Note 18(b))	1,550	1,550
Deposits	5,962	2,190
Other receivables	13,417	9,797
Less: allowance for other receivables	(1,033)	(1,073)
	21,952	14,738
Financial assets measured at amortised cost	531,609	364,697
Prepayments		
– related parties (Note 18(b))	19,318	19,288
– third parties	31,802	68,548
Input VAT to be deducted	12,615	9,932
	595,344	462,465

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

12 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables are primarily related to revenue generated from property management and services provided to community and non-property owners.

As at 30 June 2022, other receivables due from related parties are unsecured and interest-free. Details of the amounts due from related parties are set out in Note 18(b).

All trade and other receivables are expected to be recovered or recognised as expense within one year.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on the date of revenue recognition which is the same as the due date, and net of allowance for impairment of trade receivables is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 1 year	376,090	248,649
1 to 2 years	89,009	71,331
2 to 3 years	28,443	16,620
3 to 4 years	9,331	6,284
4 to 5 years	2,138	3,123
Over 5 years	4,646	3,952
	<u>509,657</u>	<u>349,959</u>

13 CASH AND CASH EQUIVALENTS

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Cash on hand	48	37
Cash at bank	1,032,277	1,093,311
Less: restricted cash (Note)	8,626	6,052
	<u>1,023,699</u>	<u>1,087,296</u>

Note:

As at 30 June 2022 and 31 December 2021, restricted cash mainly represents cash deposited in banks as joint accounts with property owners, mainly including the property management fees the Group collected from the projects under commission basis.

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 TRADE AND OTHER PAYABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade payables		
– related parties	40,948	47,637
– third parties	285,985	181,040
	<u>326,933</u>	<u>228,677</u>
Amounts due to related parties (Note (i))	25,401	25,323
Accrued payroll and other benefits	24,544	21,338
Other taxes and charges payable	27,968	16,278
Dividends payable	5,797	–
Deposits (Note (ii))	76,010	77,431
Amounts due to property owners	14,378	14,378
Receipts on behalf of property owners and tenants (Note (iii))	69,512	58,847
Housing maintenance funds payable (Note (iv))	216,834	216,332
Amounts due to property developers	13,812	13,812
Other payables and accruals	50,610	59,697
	<u>524,866</u>	<u>503,436</u>
	<u>851,799</u>	<u>732,113</u>

Notes:

- (i) Starting from 2020, the Group received refurbishment payment from a tenant on behalf of fellow subsidiaries of BUCG, which provide refurbishment services to such tenant. As a result, the amount due to related parties at 30 June 2022 also included the refurbishment payment of RMB16,624,000 (31 December 2021: RMB16,624,000).
- (ii) Deposits mainly represent the deposits paid by the property owners and tenants for property management and refurbishment.
- (iii) Receipts on behalf of property owners and tenants mainly represent utility charges received from residents on behalf of utility companies and operation income on public facilities received on behalf of property owners.
- (iv) Housing maintenance funds payable mainly represents the housing maintenance funds Beijing Uni.-Construction Beiyu Property Service Co., Ltd. ("Beiyu Property") received from Beijing Uni.-Construction Group Co., Ltd. ("BUCC"). Pursuant to related regulations and instructions from BUCC, Beiyu Property received the housing maintenance funds from BUCC in connection with the transfer of property management service on certain residential properties, which are properties built prior to the adoption of public housing maintenance fund policy issued by related government authorities in the 1990's. The funds are to be used along with the repair and overhaul of related properties in accordance with related regulations and instructions from BUCC.
- (v) All the trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 TRADE AND OTHER PAYABLES (Continued)

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 1 year	300,708	200,715
1 to 2 years	12,105	7,814
2 to 3 years	1,217	3,611
Over 3 years	12,903	16,537
	<u>326,933</u>	<u>228,677</u>

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period:

	<u>Six months ended 30 June</u>	
	2022 RMB'000	2021 RMB'000
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB15.81 cents per ordinary share (six months ended 30 June 2021: nil)	<u>23,188</u>	<u>–</u>

The aggregate amount of the final dividend declared during the six months ended 30 June 2022 amounted to RMB23,188,000 and has been fully paid by the end of July 2022.

- (ii) The directors of the Company do not recommend the payment of an interim dividend attributable to the six months ended 30 June 2022.

(b) Share capital

	No. of shares '000	RMB'000
Ordinary shares issued and fully paid		
At 1 January 2021	110,000	110,000
Issue of ordinary shares upon initial public offerings	<u>36,667</u>	<u>36,667</u>
At 31 December 2021, 1 January 2022 and 30 June 2022	<u>146,667</u>	<u>146,667</u>

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

16 ACQUISITION OF A SUBSIDIARY

In April 2022, the Company entered into an equity transfer agreement with two third parties, pursuant to which the Group acquired 60% equity interest of Beijing Zhuolian Property Management Co., Ltd. (北京卓聯物業經營管理有限公司, “Zhuolian Property”) at a cash consideration of RMB7,780,000. Zhuolian Property is principally engaged in the provision of property management services. The acquisition was completed in May 2022. Upon completion of the transaction, Zhuolian Property became a subsidiary of the Group.

The recognised fair values of the identifiable assets and liabilities of Zhuolian Property as at the date of acquisition were set out as follows:

	Zhuolian Property RMB'000
Property, plant and equipment	2,732
Intangible assets	6,165
Inventories	17
Prepayments, trade and other receivables	41,535
Cash and cash equivalents	5,612
Trade and other payables	(40,370)
Contract liabilities	(1,033)
Current taxation	(102)
Deferred tax liabilities	(1,564)
	<hr/>
Total identifiable net assets	12,992
Non-controlling interests	(5,197)
	<hr/>
The Group's share of net assets acquired	7,795
	<hr/>
Total consideration	7,780
Less: the Group's share of net assets acquired	7,795
	<hr/>
Gain on the acquisition	(15)
	<hr/>
Consideration – satisfied by cash:	7,780
Less: cash and cash equivalents acquired	(5,612)
	<hr/>
Net cash outflow	2,168
	<hr/>

Since the acquisition, Zhuolian Property has contributed RMB5,729,000 to the Group's revenue and RMB33,000 to the Group's consolidated profit for the six months ended 30 June 2022. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been RMB698,606,000 and consolidated profit would have been RMB53,496,000 for the period. In determining these amounts, management has assumed that the fair value adjustments determined provisionally, that arose on the date of business combinations would have been the same if the business combinations had occurred on 1 January 2022.

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs

The Group's unlisted equity investments were revalued against carrying amounts of the respective investments during the reporting period. A valuation report is prepared by the external valuer at each interim and annual reporting date, and is reviewed and approved by the chief accountant. Discussion of the valuation process and results with the chief accountant is held twice a year, to coincide with the reporting dates.

Fair value hierarchy	Fair value at	
	30 June 2022	31 December 2021
	RMB'000	RMB'000

Recurring fair value measurements

Other financial assets

– Equity investments designated at FVOCI	Level 3	<u>95,697</u>	<u>95,727</u>
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During the six months ended 30 June 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2021: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements

	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investments, mainly representing equity interests in Jindi Real Estate, a property development company holding land and properties for development for sale or for rent. Major land and properties of Jindi Real Estate have been revalued at each reporting period end.	Income approach and market approach	Capitalisation rate: 5.74%-7.24% (2021: 5.80%-7.30%)	The higher the capitalisation rate, the lower the market value
	The key inputs are: – Capitalisation rate; – Unit rent of individual unit; – Market price	Unit rent per sq.m. per month: RMB92-RMB130 (2021: RMB92-RMB130)	The higher the unit rent, the higher the market value
		Market price per sq.m.: RMB23,040-RMB80,000 (2021: RMB21,000-RMB80,000)	The higher the market price, the higher the market value

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	At 30 June 2022 RMB'000	At 30 June 2021 RMB'000
Fair value		
At 1 January	95,727	94,410
Change in fair value	(30)	580
At 30 June	95,697	94,990

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of each reporting period, while holding all other factors constant.

	Increase/(decrease) of other financial assets - equity investments designated at FVOCI	
	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Capitalisation rate		
– increase by 0.25%	(1,259)	(1,732)
– decrease by 0.25%	1,308	1,732
Unit rent per sq.m. per month		
– increase by 1%	513	595
– decrease by 1%	(513)	(595)
Market price per sq.m.		
– increase by 1%	700	853
– decrease by 1%	(700)	(853)

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2022 and 31 December 2021.

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

The principal transactions which were carried out in the ordinary course of business are as follows:

Nature of related party	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
<i>Provision of services</i>		
– The BUCG Group	132,886	104,315
– Associates of the BUCG Group	1,246	–
<i>Receiving services</i>		
– The BUCG Group	25,265	16,040
– Associates of the BUCG Group	2,464	–
<i>Interest income</i>		
– The BUCG Group	–	2,127
<i>Rental income</i>		
– The BUCG Group	3,830	–
<i>Rental expenses</i>		
– The BUCG Group	1,757	1,187
<i>Deposits withdrawn</i>		
– The BUCG Group	–	220,000

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade nature		
Prepayments and trade receivables		
– The BUCG Group	169,187	133,148
– Associates of the BUCG Group	464	1,040
Trade payables		
– The BUCG Group	40,130	44,952
– Associates of the BUCG Group	818	2,685
Contract liabilities		
– The BUCG Group	409	1,974
Lease liabilities		
– The BUCG Group	3,343	4,425
Non-trade nature		
Other receivables		
– The BUCG Group	3,586	3,804
– An associate of the BUCG Group	20	20
Other payables		
– The BUCG Group	25,393	25,315
– An associate of the BUCG Group	8	8

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Name and relationship with the related parties

During the reporting period, transactions with the following parties are considered as related party transactions:

Name of related party	Relationship with the Group
BUCG 北京城建集團有限責任公司	The controlling shareholder of the Company
BUCG 北京住總集團有限責任公司	Shareholder of the Company, which is controlled by BUCG
Beijing Urban Construction Investment & Development Co., Ltd. * 北京城建投資發展股份有限公司	Shareholder of the Company, which is controlled by BUCG
Beijing Uni.-Construction Real Estate Development Co., Ltd. * 北京住總房地產開發有限公司	Company controlled by BUCG
Beijing Urban Construction Chengdu Real Estate Co., Ltd. * 北京城建成都地產有限公司	Company controlled by BUCG
Beijing Urban Construction No.2 Construction Engineering Co., Ltd. * 北京城建二建設工程有限公司	Company controlled by BUCG
Beijing Urban Construction Xinghua Real Estate Co., Ltd. * 北京城建興華地產有限公司	Company controlled by BUCG
Beijing Urban Construction Xingtai Real Estate Development Co., Ltd. * 北京城建興泰房地產開發有限公司	Company controlled by BUCG
Beijing Urban Construction Xingyun Real Estate Co., Ltd. * 北京城建興雲房地產有限公司	Company controlled by BUCG
Beijing Hengqi Investment Management Co., Ltd. * 北京衡其投資管理有限責任公司	Company controlled by BUCG
Jindi Real Estate 北京金第房地產開發有限責任公司	Company controlled by BUCG
Beijing Century Hongcheng Land Co., Ltd. * 北京世紀鴻城置業有限公司	Company controlled by BUCG
Tianjin Jingbao Land Co., Ltd. * 天津京寶置業有限公司	Company controlled by BUCG
Tianjin Capital Investment & Development Co., Ltd. * 天津京城投資開發有限公司	Company controlled by BUCG
Beijing Shoucheng Land Co., Ltd. * 北京首城置業有限公司	Company controlled by BUCG
Beijing Uni. -Construction Jingfang Real Estate Development Co., Ltd. * 北京住總京房房地產開發有限責任公司	Company controlled by BUCG

VII. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Name and relationship with the related parties (Continued)

Name of related party	Relationship with the Group
Beijing Uni. -Construction Tongcheng Real Estate Development Co., Ltd. * 北京住總通成房地產開發有限責任公司	Company controlled by BUCG
Beijing Urban Construction Chengdu Land Co., Ltd. * 北京城建成都置業有限公司	Company controlled by BUCG
Beijing Urban Construction Chongqing Real Estate Co., Ltd. * 北京城建重慶地產有限公司	Company controlled by BUCG
Beijing Urban Construction Xincheng Investment Development Co., Ltd. * 北京城建新城投資開發有限公司	Company controlled by BUCG
Beijing Urban Construction Xinghe Real Estate Development Co., Ltd. * 北京城建興合房地產開發有限公司	Company controlled by BUCG
Beijing Urban Construction Xingrui Land Development Co., Ltd. * 北京城建興瑞置業開發有限公司	Company controlled by BUCG
Beijing Urban Construction Xingsheng Land Co., Ltd. * 北京城建興勝置業有限公司	Company controlled by BUCG
Beijing Urban Construction Xingshun Real Estate Development Co., Ltd. * 北京城建興順房地產開發有限公司	Company controlled by BUCG
Beijing Zhuxing Real Estate Development Co., Ltd. * 北京住興房地產開發有限公司	Company controlled by BUCG
Qingdao Shuangcheng Real Estate Co., Ltd. * 青島雙城房地產有限公司	Company controlled by BUCG
Beijing Zhuzong No.6 Development and Construction Co., Ltd. * 北京住總第六開發建設有限公司	Company controlled by BUCG
Beijing Xincheng Jinjun Real Estate Development Co., Ltd. * 北京新城金郡房地產開發有限公司	Associate of the BUCG Group
Beijing Urban Construction Boiler Pipe Installation Co., Ltd. * 北京城建鍋爐管道安裝有限公司	Associate of the BUCG Group

* The English names of the above companies which operate in the PRC are for identification only.

19 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There is no significant non-adjusting event after the reporting period.

