



**BUCG**

**北京京城佳業物業股份有限公司**

BEIJING CAPITAL JIAYE PROPERTY SERVICES CO., LIMITED

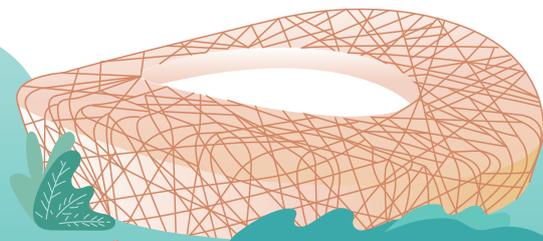
(於中華人民共和國註冊成立的股份有限公司)

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

股份代號 **Stock Code : 2210**



# CAPITAL JIAYE



**2023**

INTERIM REPORT  
中期報告

# CONTENTS

	Page
I. Corporation Information	2
II. Financial Summary	5
III. Management Discussion and Analysis	6
IV. Corporate Governance and Other Information	19
V. Review Report	23
VI. Notes to the Unaudited Interim Financial Report	31



## 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**”, together with its subsidiaries, “**BUCG Group**”) 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. (“**BUCG**”), Tianjie Group and other holders of H shares, respectively.

As of 30 June 2023, Capital Jiaye and its subsidiaries (the “**Group**” or “**we**”) had more than 39.1 million sq.m. of area under its management and expanded its presence in 12 provinces, centrally-administered municipalities and autonomous regions across the country. The Group operated a diversified range of properties, covering residential, commercial, hutong and other properties, as well as diversified project types, including office buildings, public buildings, scientific research institutes, military barracks, medical care apartments, theatres and venues, subway stations, and office buildings of party or government organizations, etc. Representative projects include office buildings in Beijing’s sub-center, the National Stadium (Bird’s Nest), National Peking Opera Company, Beijing Institute of Fashion Technology, headquarters of large central enterprises, National Tennis Center, etc. In addition to the basic business, the value-added business covers tenant sourcing and management, real estate brokerage, sales office and display unit management and delivery, construction site property management, catering services, heat energy supply, engineering operations and maintenance, carpark space operation, home decoration management and community elderly services, etc.

As a professional company engaging in property services at an earlier time among large state-owned enterprises, 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), a vice president institution of the Beijing Property Management Association (北京物業管理行業協會), a member unit of the Listed Companies Association of Beijing (北京上市公司協會) and the subsidiaries are member units of Union International Concierge Organization (國際金鑰匙聯盟). The Company has been recognized as one of the “China’s Top 100 Property Management Companies” (中國物業服務百強企業) and “China’s Leading Property Management Company for Featured Service” (中國特色物業服務領先企業) for consecutive years. Capital Jiaye ranked 19th among China’s Top 100 Property Management Companies in 2023, and was awarded the titles of leading companies in social responsibility, characteristic services, satisfaction and service capabilities by China Index Academy, Cric Property Management and China Property Management Research Institution successively. The Group was also awarded the titles of “2023 China’s Top 100 Property Management Companies” (2023中國物業服務百強企業), “2023 China’s Top 100 Property Management Companies Leading in Satisfaction” (2023中國物業服務百強滿意度領先企業), “2023 China’s Top 100 Property Management Companies Leading in Growth” (2023中國物業服務百強企業成長性領先企業), “China’s Socially Responsible Property Management Services Enterprise of the Year in 2023” (2023中國物業服務年度社會責任感企業), “China Property Management Services Enterprise Featured Brand in 2023 – Property Management Services for Construction Sites” (2023 中國特色物業服務領先企業 – 施工現場物業化), “2023 China’s Top 4 Listed Property Management Companies in terms of Investment Potential” (2023中國上市物企投資潛力 TOP4), “2023 China’s Top 5 Listed Property Management Companies in terms of Growth Rate” (2023中國上市物企增長速度 TOP5), “2023 China’s Top 10 State-Owned Listed Property Management Companies” (9th) (2023中國國資上市物業10強(第9名)), and “2023 China’s Top 20 State-Owned Property Management Companies in terms of Comprehensive Strength” (2023中國國有物業服務企業綜合實力20強).

# 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

Ms. Jiang Xin  
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*)  
Ms. Jiang Xin  
Mr. Kong Weiping

### Remuneration and Evaluation Committee

Mr. Cheng Peng (*Chairman*)  
Mr. Kong Weiping  
Ms. Jiang Xin

### Nomination Committee

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

### Strategy and Investment and ESG Committee

Mr. Zhang Weize (*Chairman*)  
Mr. Yang Jun  
Mr. Luo Zhou  
Mr. Mao Lei  
Mr. Cheng Peng

### Risk and Compliance Management Committee

Mr. Yang Jun (*Chairman*)  
Mr. Zhang Weize  
Ms. Jiang Xin  
Mr. Yao Xin  
Mr. Kong Weiping

## SUPERVISORY COMMITTEE

Mr. Liu Fengyuan (*Chairman*)  
Mr. Wang Wei (*resigned on 12 May 2023*)  
Ms. Liu Fang  
Mr. Yang Nan (*appointed on 12 May 2023*)

## JOINT COMPANY SECRETARIES

Ms. Mok Ming Wai  
Mr. Chen Shuang (*appointed on 15 March 2023*)

## AUTHORIZED REPRESENTATIVES

Mr. Zhang Weize  
Ms. Mok Ming Wai

## AUDITOR

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

# I. Corporation Information

## LEGAL ADVISER

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, PRC

## 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

## 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: [jcgy@bcjps.com](mailto:jcgy@bcjps.com)

## COMPANY'S WEBSITE

[www.bcjps.com](http://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	
	2023	2022
Revenue (RMB million)	<b>888.1</b>	665.7
Gross profit (RMB million)	<b>194.0</b>	156.6
Gross profit margin	<b>21.8%</b>	23.5%
Profit for the period (RMB million)	<b>61.6</b>	53.1
Net profit margin	<b>6.9%</b>	8.0%
Profit for the period attributable to equity shareholders of the Company (RMB million)	<b>58.7</b>	52.4
Basic earnings per share (RMB)	<b>0.40</b>	0.36

For the six months ended 30 June 2023 (the “**Reporting Period**”), the total revenue of the Group was approximately RMB888.1 million, representing an increase of approximately 33.4% as compared with approximately RMB665.7 million in the same period of 2022.

For the six months ended 30 June 2023, the gross profit of the Group was approximately RMB194.0 million, representing an increase of approximately 23.9% from approximately RMB156.6 million in the same period of 2022.

For the six months ended 30 June 2023, the profit for the period of the Group was approximately RMB61.6 million, representing an increase of approximately 16.0% from approximately RMB53.1 million in the same period of 2022.

As of 30 June 2023, the Group had approximately 39.1 million sq.m. of area under its management, representing an increase of approximately 13.7% from approximately 34.4 million sq.m. as of 30 June 2022.



### III. Management Discussion and Analysis

#### BUSINESS REVIEW

As the first state-owned property management enterprise in Beijing listed on the Main Board of the Stock Exchange, the Group has been actively integrated into the national development strategy since its establishment, strives to practice society primary-level governance, and is known as the “red housekeeper” of the capital city with strong protection, precise operation and maintenance, and the pursuit of excellence, and is committed to building “a provider of China’s best-in-class urban and lifestyle services”.

The Group made every effort to promote the implementation of the strategy of “expanding scale, increasing efficiency, strengthening management and building brand”. As a result, all indicators maintained steady growth, positive results were achieved in external market expansion, and joint venture cooperation and acquisitions progressed in an orderly manner.

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

### III. Management Discussion and Analysis

#### Property management services – accounting for approximately 57.7% of total revenue

During the Reporting Period, the Group's revenue from property management services was approximately RMB512.8 million, representing an increase of approximately 16.2% as compared to the same period in 2022, 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					
	2023		2022			
	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 Group and its joint ventures or associates	21,113	54.1	139	19,514	56.7	129
Third parties	17,939	45.9	105	14,905	43.3	80
<b>Total</b>	<b>39,052</b>	<b>100.0</b>	<b>244</b>	<b>34,419</b>	<b>100.0</b>	<b>209</b>

As of 30 June 2023, the area under management of the Group was approximately 39.1 million sq.m., among which, the area under management from projects of the BUCG Group and its joint ventures or associates was approximately 21.1 million sq.m., while the area under management from projects of third parties was approximately 17.9 million sq.m., representing a year-on-year increase of 8.2% and 20.4% respectively, which was mainly due to the fact that the Group fully mobilized its employees' enthusiasm for market expansion and comprehensively improved the marketing team's ability in planning, operating and bidding, seized the leading opportunities in market share, continued to optimize its own business development strategy and regional layout, and increased its efforts in external expansion and market reserves.

During the Reporting Period, we continued 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. During the Reporting Period, we achieved a newly-signed area of approximately 2.5 million sq.m., representing a year-on-year increase of 15.9%; the amount of newly signed contracts was approximately RMB222.4 million, representing a year-on-year increase of 35.7%. There were 25 new property projects, of which 19 were from third-party projects, accounting for 76.0% of the total new projects, which further enhanced the Group's ability to expand its business.

In the first half of 2023, the Group achieved continuous improvement in market expansion. Specifically, undertaking management of the newly added areas of zones C1 and C5 of Beijing's sub-center, the National Tennis Center and Qingdao Citizen Center, the Group has recorded a new high in the scale of high-quality public construction under its management; the Group had further breakthroughs in the management of higher education projects; the area under management of socialized service projects for military logistic support had exceeded 1.3 million sq.m.; newly winning the bidding for the special service project of subway Line 2 in Beijing, the Group has further deepened the cooperation with subway operating companies.

During the Reporting Period, on the basis of stable growth in residential property management scale, the Group accelerated its diversification and multi-business development strategy to promote the expansion of commercial and public properties and other properties.

### III. Management Discussion and Analysis

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

Property type	2023					2022				
	Six months ended 30 June 2023		As of 30 June 2023			Six months ended 30 June 2022		As of 30 June 2022		
	Revenue		Area under management		Number of projects under management	Revenue		Area under management		Number of projects under management
	RMB'000	%	sq.m.'000	%		RMB'000	%	sq.m.'000	%	
Residential properties	248,872	48.5	25,488	65.3	149	223,200	50.6	23,063	67.0	134
Non-residential properties	263,882	51.5	13,564	34.7	95	217,905	49.4	11,356	33.0	75
<b>Total</b>	<b>512,754</b>	<b>100.0</b>	<b>39,052</b>	<b>100.0</b>	<b>244</b>	<b>441,105</b>	<b>100.0</b>	<b>34,419</b>	<b>100.0</b>	<b>209</b>

As the “red housekeeper” of the capital, the Group 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 Reporting 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 Reporting Period, the Group improved its operation efficiency through standardized services and customized value-added service system to optimize the service quality. The Group continued to promote project management training, and enhance the professional quality of project personnel and service quality and efficiency. As of 30 June 2023, the area of the residential properties under management of the Group was approximately 25.5 million sq.m., representing a year-on-year increase of 10.5%, which accounted for approximately 65.3% of the total area under management of the Group. During the Reporting Period, the revenue from management service for residential properties amounted to approximately RMB248.9 million, representing an increase of approximately 11.5% as compared to the same period in 2022 and accounting for approximately 48.5% of the Group's total revenue from property management service.

For non-residential properties, the Group, taking into consideration the management characteristics of commercial and public properties that prioritize safety, strict requirements and high standards and relying on an experienced property management team, was committed to offering customers with high-quality property management solutions by comprehensive and professional integrated management services. Relying on good reputation and comprehensive strength, the Group continued to expand its business in commercial office buildings, government office buildings, urban public facilities and more. As of 30 June 2023, the area of the non-residential properties under management of the Group was approximately 13.6 million sq.m., an increase of approximately 19.4% year-on-year, accounting for approximately 34.7% of the total area under management. During the Reporting Period, the revenue from management services for non-residential properties amounted to approximately RMB263.9 million, representing an increase of approximately 21.1% over the same period in 2022 and accounting for approximately 51.5% of the total revenue from property management services.

### III. Management Discussion and Analysis

During the Reporting Period, the Group's revenue from non-residential properties management services grew significantly and exceeded that from residential properties management services for the first time, mainly due to the Group's efforts in the management scale and diversified business development. Specifically, the Group has undertaken Shunyi Cultural Center, National Tennis Center, Citizen Center in Xihai New Area of Qingdao, expressway service areas and other projects, and the Group's management scale of Beijing's administrative sub-center continued to expand. Going forward, the Group will refresh its efforts in exploring and seeking new business and development models and enrich management business in order to achieve full coverage of various businesses such as schools, hospitals, industrial parks, commercial complexes, international event venues, and more.

#### Value-added services to non-property owners: accounting for approximately 21.6% of total revenue

The Group provided value-added services to non-property owners, including (i) special support services; (ii) tenant sourcing and management services; (iii) engineering operations and maintenance services; (iv) construction site property management services; (v) sales office and display unit management and delivery service; and (vi) others.

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			
	2023		2022	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Special support services	80,005	41.7	–	–
Tenant sourcing and management services	36,753	19.2	36,980	45.3
Engineering operations and maintenance services	24,479	12.8	12,971	15.9
Construction site property management services	21,088	11.0	–	–
Sales office and display unit management and delivery service	18,087	9.4	22,902	28.1
Others	11,504	5.9	8,744	10.7
<b>Total</b>	<b>191,916</b>	<b>100.0</b>	<b>81,597</b>	<b>100.0</b>

During the Reporting Period, the Group's revenue from value-added services to non-property owners amounted to approximately RMB191.9 million, representing an increase of approximately 135.2% over the same period in 2022. This increase was primarily due to the rapid development in special support services, engineering operations and maintenance services and construction site property management services.

For special support services, in 2022, the Group undertook the pre-delivery cleaning, logistics operation and maintenance and catering services and other works for a number of projects in Beijing and actively engaged in the operation and maintenance support tasks of projects, which showed the responsibility of state-owned enterprises. In 2023, the Group continues to complete the settlement of such special support services.

### III. Management Discussion and Analysis

For tenant sourcing and management services, the Group mainly provides tenant sourcing and management services commissioned by certain office property developers, including identifying and recruiting target tenants, assisting property developers with negotiation of lease agreements and subsequent fee collection processes, and providing hassle-free move-in and move-out support services to tenants. During the Reporting Period, the Group's revenue from tenant sourcing and management services was approximately RMB36.8 million, which was basically the same as in the corresponding period in 2022.

For engineering operation and maintenance services, they primarily include engineering operation, daily repair and maintenance management, and engineering renovation services 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. During the Reporting Period, the Group's revenue from engineering operation and maintenance services amounted to approximately RMB24.5 million, representing an increase of approximately 88.7% as compared to the corresponding period in 2022, which was mainly due to 16 new projects being developed in the first half of 2023. At the same time, through promoting the construction of intelligent property management system and strengthening digital and auxiliary property service work, the Group provided property notification, repair and other services in a more convenient way and improved customer satisfaction.

For construction site property management services, the Group undertook 5 new projects contracted in the first half of 2023 by increasing promotion efforts, and had 25 projects in total under construction site property management services. The Group has rolled out the construction site property management services that are "one-stop", "menu-based" and "standardized" across the board after studying the characteristics and service modes of construction site management. This has coordinated the development of the "industrial chain" and improved the "wisdom" of site management. As a result, the Group has grown the revenue channels of enterprises, which has led to the new trend of construction site management, improved the living conditions of construction workers, and enhanced the management performance of the general contractor of the project. All in all, all parties involved have seen win-win results.

For sales office and display unit management and delivery services, with many years of experience, the Group successively provided high quality services for renowned property sales offices, joined Union International Concierge Organization, and embedded service philosophy of Concierge, bringing "Satisfactory and Surprising" quality service experience to customers. During the Reporting Period, the Group's revenue from sales office and display unit management and delivery services amounted to approximately RMB18.1 million.

During the Reporting Period, the Group's revenue from other value-added services to non-property owners amounted to approximately RMB11.5 million, representing an increase of approximately 31.6% as compared to the corresponding period in 2022, which was mainly due to the increase in revenue from special entrusted service projects, such as preliminary planning and design consultancy services, greening construction services and conference services.

### III. Management Discussion and Analysis

#### Community value-added services: accounting for approximately 20.7% of total revenue

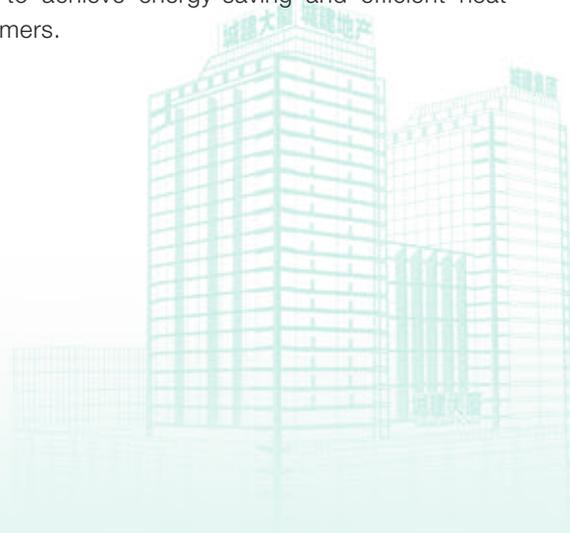
The Group provides community value-added services, including (i) heat energy supply services; (ii) carpark space operation services; (iii) catering services; and (iv) others.

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

Service type	Six months ended 30 June			
	2023		2022	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Heat energy supply services	75,480	41.2	75,644	52.9
Carpark space operation services	50,621	27.6	21,881	15.3
Catering services	35,566	19.4	32,563	22.8
Others	21,745	11.8	12,904	9.0
<b>Total</b>	<b>183,412</b>	<b>100.0</b>	<b>142,992</b>	<b>100.0</b>

During the Reporting Period, the Group's revenue from community value-added services amounted to approximately RMB183.4 million, representing an increase of approximately 28.3% over the same period in 2022, 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 RMB75.5 million, remaining basically the same as compared with the same period in the last year, accounting for approximately 41.2% of total revenue from community value-added services. As of 30 June 2023, the Group has been responsible for the operation of heat energy supply of 10 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, the Group continues 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.



### III. Management Discussion and Analysis

Carpark space operation services: the revenue from carpark space operation services reached approximately RMB50.6 million, accounting for approximately 27.6% of total revenue from community value-added services. During the Reporting Period, the Group's revenue from carpark space operation services increased by approximately 131.4% year-on-year, which was mainly due to the Group's continuous exploration of the carpark space sales model based on the "property services + living services" model in order to broaden the scope of value-added services. At the same time, for the operation and management of parking spaces in properties under our management, we provide targeted operational solutions such as order management, operation management, and fee management. The Group utilizes intelligent parking systems to save operation and labor costs, improve charging efficiency, and achieve cost reduction and efficiency increase.

Catering services: the revenue from catering services reached approximately RMB35.6 million, remaining basically the same as compared with the same period in the last year, accounting for approximately 19.4% of total revenue from community value-added services. The Group has a professional project catering management team dedicated to providing efficient, professional and high-quality catering services to customers. The Group strictly implemented that food safety is the lifeline of catering services. Being customer-oriented and striving for excellence, the Group provides tailor-made catering service solutions to become the most trustworthy partner for customers. Through unremitting efforts, we have earned good reputation among many partners and won wide praise from all walks of life.

Other community value-added services: mainly include property leasing services, home decoration management services, real estate brokerage services, community elderly services, community retail, housekeeping services, etc. During the Reporting Period, the Group's revenue from other community value-added services amounted to approximately RMB21.7 million, representing an increase of approximately 68.5% as compared to the corresponding period in 2022, which was mainly due to the Group's continuous improvement of service quality, cultivating new business models and new models in urban services and elderly services, and accelerating the formation of new economic growth points.

#### Future prospect

In the next step, we will further strengthen our confidence in development, adhere to development as the first priority, promote the scale of property management and corporate efficiency to a new level, and continuously achieve new breakthroughs in operating results. Based on the whole industry chain and full life cycle of urban construction and operation and to meet the people's growing needs for a better life, we will expand the value chain of property services, continuously enrich value-added service products and create high-value property, integrate into community management and city operations, and gain insight into new service projects from new scenarios to continuously improve the Company's innovation and growth. We will adhere to the bottom-line thinking, coordinate development and safety, and strive to improve the ability of enterprise risk prevention and mitigation. We will adhere to the quality-oriented principle, strengthen the service concept of "care, attention and warmth", and continue to enhance the influence of Beijing service brand. The Company will adhere to the Party building to guide and cultivate the root, continue to strengthen the Party building, and provide a strong guarantee for the high-quality development of the Company.

Under the guidance of the capital development strategy of the new era and the strategy of BUCG Group, we will fully explore the first-mover advantage as a listed property management platform for state-owned enterprises in the capital, continuously improve the core competitiveness of the enterprise, and make unremitting efforts to build a "a provider of China's best-in-class urban and lifestyle services" with high-quality, professional and high-quality development.

## III. Management Discussion and Analysis

### FINANCIAL REVIEW

#### Revenue

The Group's revenue was derived from three main business segments: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

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

	Six months ended 30 June				
	2023		2022		Growth rate %
	RMB'000	Percentage of revenue %	RMB'000	Percentage of revenue %	
Property management services	512,754	57.7	441,105	66.3	16.2
Value-added services to non-property owners	191,916	21.6	81,597	12.2	135.2
Community value-added services	183,412	20.7	142,992	21.5	28.3
<b>Total</b>	<b>888,082</b>	<b>100.0</b>	<b>665,694</b>	<b>100.0</b>	<b>33.4</b>

During the Reporting Period, the total revenue of the Group was approximately RMB888.1 million, representing an increase of approximately 33.4% from approximately RMB665.7 million for the same period in 2022, primarily due to (i) the increase in revenue as a result of the continuous expansion of the Group's business scale; and (ii) the rapid development of the Group's value-added services during the Reporting Period. Please refer to the section headed "Business Review" in this report for the changes in each business segment of the Group as compared to the corresponding period in 2022.

#### Cost of sales

During the Reporting Period, the cost of sales of the Group was approximately RMB694.1 million, representing an increase of approximately 36.3% from approximately RMB509.1 million for the same period in 2022. This increase was primarily due to more outsourcing costs as a result of the increasing areas under management and projects under management of the Group.



### III. 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					
	2023			2022		
	Gross profit RMB'000	Gross profit ratio %	Gross profit margin %	Gross profit RMB'000	Gross profit ratio %	Gross profit margin %
Property management services	105,105	54.2	20.5	98,000	62.6	22.2
Value-added services to non-property owners	62,773	32.4	32.7	38,828	24.8	47.6
Community value-added services	26,147	13.4	14.3	19,745	12.6	13.8
<b>Total</b>	<b>194,025</b>	<b>100.0</b>	<b>21.8</b>	<b>156,573</b>	<b>100.0</b>	<b>23.5</b>

During the Reporting Period, the Group's gross profit margin was approximately 21.8%, representing a decrease from approximately 23.5% for the corresponding period in 2022, which was mainly due to (i) the increase in labour and subcontracting costs as a result of the expansion of business scale; and (ii) the costs incurred in the early stage of newly undertaken projects.

#### Administrative expenses

During the Reporting Period, the total administrative expenses of the Group were approximately RMB99.8 million, representing an increase of approximately 12.9% from approximately RMB88.4 million for the same period in 2022, primarily due to (i) the increase in staff remuneration of management personnel as compared to the corresponding period in 2022; and (ii) the increase in fees for engaging intermediaries for the demand of the Group's business development as compared to the corresponding period in 2022.

#### Other income

During the Reporting Period, other income decreased by approximately 60.2% to approximately RMB3.7 million from approximately RMB9.3 million for the corresponding period in 2022. This was mainly due to (i) changes in fair value of investment properties; and (ii) changes in foreign exchange gains for the same period in 2022.

#### Profit for the period

During the Reporting Period, the profit for the period of the Group was approximately RMB61.6 million, representing an increase of approximately 16.0% from approximately RMB53.1 million in the same period in 2022. The profit for the period attributable to the shareholders of the Group was approximately RMB58.7 million, representing an increase of approximately 12.0% from approximately RMB52.4 million in the same period in 2022; the net profit margin was approximately 6.9%. The increase in profit for the period was primarily due to an increase in revenue as a result of the continuous expansion of the Group's management scale.

## III. Management Discussion and Analysis

### Current assets and capital structure

The Group maintained an excellent financial position and adequate liquidity during the Reporting Period. As at 30 June 2023, the current assets were approximately RMB1,865.8 million, which was basically the same as approximately RMB1,880.4 million as at 31 December 2022.

As of 30 June 2023, the Group's cash and cash equivalents amounted to approximately RMB1,039.5 million, representing a decrease of approximately 8.9% from approximately RM1,140.7 million as at 31 December 2022, primarily due to (i) the payment of dividends for the previous year; (ii) the payment for purchase of container houses used in the Group's business operations; and (iii) the industry practice of customers to pay property fees in the second half of the year.

As of 30 June 2023, the total equity of the Group amounted to approximately RMB804.7 million, representing an increase of approximately 2.9% from approximately RMB782.4 million as at 31 December 2022, primarily due to the profit contribution achieved during the period.

As of 30 June 2023, the Group's debt-to-asset ratio was approximately 63.1%, representing a decrease of approximately 1 percentage point from approximately 64.1% as at 31 December 2022. The debt-to-asset ratio refers to the ratio of total liabilities to total assets.

### Property, plant and equipment

The Group's property, plant and equipment primarily consist of buildings, properties leased for own use, office and other equipment. As at 30 June 2023, the Group's property, plant and equipment amounted to approximately RMB77.7 million, representing an increase of approximately RMB17.0 million from approximately RMB60.7 million as at 31 December 2022, primarily due to the increase in the purchase of container houses, electronic office equipment and leasehold for the Group's business operations.

### Investment properties

The Group's investment properties primarily include our investment in real estate properties. As at 30 June 2023, the Group's leased assets and investment properties amounted to approximately RMB107.8 million, which was basically the same as approximately RMB107.7 million as at 31 December 2022.

### Prepayments, trade and other receivables

As of 30 June 2023, prepayments, trade and other receivables amounted to approximately RMB812.5 million, representing an increase of approximately RMB86.3 million from approximately RMB726.2 million as at 31 December 2022, primarily due to the increase in trade receivables along with the continuous expansion of the Group's business 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 RMB13.2 million as of 31 December 2022 to approximately RMB19.2 million as of 30 June 2023, primarily due to the increase of deposits and other receivables.

## III. Management Discussion and Analysis

### Trade and other payables

As of 30 June 2023, trade and other payables amounted to approximately RMB997.7 million, representing an increase of approximately RMB24.0 million from approximately RMB973.7 million as at 31 December 2022, which was primarily due to the increase in payables to suppliers as a result of the expansion of business scale.

The Group's other payables primarily consist of housing maintenance fund payables, amounts due to related parties and renovation and utility deposits received from property owners and tenants. The Group's other payables amounted to approximately RMB527.0 million and RMB530.0 million as of 31 December 2022 and 30 June 2023, respectively.

### Capital expenditure

During the Reporting Period, our capital expenditure was approximately RMB30.5 million (approximately RMB36.0 million for the year ended 31 December 2022), which was mainly used for the purchase of container houses and office equipment.

### Borrowings

As at 30 June 2023, the Group did not have any borrowings or bank loans.

### Pledge of assets

As at 30 June 2023, the Group did not have any pledge on its assets.

### Significant investments, material acquisitions and disposals and future plans

During the Reporting Period, the Group did not have any significant investments, material acquisitions and disposals.

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 authorized 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 2023, 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.

### III. Management Discussion and Analysis

As at 30 June 2023, details of the use of the Net Proceeds of the Group were as follows:

Purposes	Percentage of total amount	Planned use of net proceeds HK\$ million	Unused amount as of 1 January 2023 HK\$ million	Actual use of proceeds during the Reporting Period HK\$ million	Accumulated actual use of proceeds as of 30 June 2023 HK\$ million	Unused amount as of 30 June 2023 HK\$ million	Expected timeline for full utilization of the remaining proceeds
<b>Strategic investment and acquisition</b>	<b>60%</b>	<b>148.15</b>	<b>138.82</b>	<b>-</b>	<b>9.33</b>	<b>138.82</b>	<b>On or before 31 December 2024</b>
<b>Development of value-added services</b>	<b>25%</b>	<b>61.73</b>	<b>47.96</b>	<b>35.95</b>	<b>49.72</b>	<b>12.01</b>	<b>On or before 31 December 2024</b>
- Expanding tenant sourcing and management services	15%	37.04	23.27	23.27	37.04	-	N/A
- Diversifying community value-added services	10%	24.69	24.69	12.68	12.68	12.01	On or before 31 December 2024
<b>Developing and upgrading our information technology infrastructure and intelligent equipment</b>	<b>10%</b>	<b>24.69</b>	<b>20.09</b>	<b>-</b>	<b>4.60</b>	<b>20.09</b>	<b>On or before 31 December 2024</b>
- Upgrading the internal operation system	4%	9.88	5.28	-	4.60	5.28	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
<b>Working capital and for general corporate purposes</b>	<b>5%</b>	<b>12.35</b>	<b>-</b>	<b>-</b>	<b>12.35</b>	<b>-</b>	<b>N/A</b>
<b>Total</b>	<b>100%</b>	<b>246.91</b>	<b>206.86</b>	<b>35.95</b>	<b>76.00</b>	<b>170.91</b>	

## III. Management Discussion and Analysis

### Contingent liabilities

As at 30 June 2023, the Group did not have any material contingent liabilities.

### Foreign exchange risk

The Group conducts its business in Renminbi. 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 remuneration benefit policy

As at 30 June 2023, the Group had 1,958 employees (as at 31 December 2022: 2,085 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.

In order to further refine the corporate governance structure and long-term incentive mechanism of the Company, better motivate the management team and core backbone employees, effectively promote the achievement of the medium and long-term strategic goal of the Company, establish a long-term incentive mechanism closely linked to the operating performance and long-term strategies of the Company, and optimize the overall remuneration structure of the Company, the Board considered and approved the proposed adoption of the share appreciation rights incentive scheme (the “**Scheme**”) and the related grant proposal (the “**Related Grant Proposal**”) on 26 July 2023.

According to the Scheme and the Related Grant Proposal, the Company proposes to grant 4.22 million share appreciation rights to the incentive recipients (including executive directors, senior management, key management and technical staff of the Company), among which, the initial grant is 3.42 million share appreciation rights and the reserved grant is 800,000 share appreciation rights, with the number of underlying H shares accounting for approximately 2.88% of the total issued share capital of the Company. Incentive recipients do not actually hold shares, nor do they have the right as the shareholders, such as voting rights or placing rights. Incentive recipients shall not deal with the share appreciation rights granted under the Related Grant Proposal without permissions, including but not limited to transfer, disposal, exchange, pledge, charge and repaying debts privately.

The Scheme can only be implemented upon the approvals from the Beijing SASAC and shareholders at the extraordinary general meeting. The Related Grant Proposal can only be implemented upon the approval from the Beijing SASAC, the taking effect of the Scheme and the satisfaction of the relevant conditions of the grant. The terms of the Scheme and the Related Grant Proposal may be amended by the Company at the request of Beijing SASAC and other regulatory authorities.

As the Scheme and the Related Grant Proposal would not involve the grant of new shares to be issued by the Company or any of its subsidiaries or any share options in connection therewith and therefore, they do not fall within the ambit of, and are not subject to the requirements under Chapter 17 of the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange (the “**Listing Rules**”). For details of the Scheme and the Related Grant Proposal, please refer to the announcement of the Company dated 26 July 2023.

### Subsequent events after the Reporting Period

Save as disclosed in this report, no significant events subsequent to 30 June 2023 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.

## IV. 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 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 Reporting Period.

### 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 Reporting Period.

### PUBLIC FLOAT

Based on the published information and to the knowledge of the Directors, during the Reporting Period 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 2023, none of the Directors, Supervisors or chief executives had or was deemed to have any interests and/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 Securities and Futures Ordinance of Hong Kong (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 Model Code.



## IV. Corporate Governance and Other Information

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

As at 30 June 2023, 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 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) <sup>(Note 1)</sup>	Percentage of shareholding in the relevant class of Shares (%) <sup>(Note 2)</sup>	Percentage of shareholding in the total Shares (%) <sup>(Note 3)</sup>
Beijing Urban Construction Group Co., Ltd. <sup>(Note 4)</sup>	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. <sup>(Note 4)</sup>	Domestic Shares	Beneficial owner	49,092,189(L)	44.63	33.47
Beijing Uni.-Construction Group Co., Ltd. <sup>(Note 4)</sup>	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) <sup>(Note 5)</sup>	H Shares	Asset manager	7,438,400(L)	20.29	5.07
Beijing Urban Construction Sixth Group Co., Ltd. <sup>(Note 5)</sup>	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) <sup>(Note 5)</sup>	H Shares	Principal	3,719,200(L)	10.14	2.54
Lushang Group (Hongkong) Co., Limited <sup>(Note 6)</sup>	H Shares	Beneficial owner	5,002,800(L)	13.64	3.41
HWABAO TRUST CO., LTD <sup>(Note 7)</sup>	H Shares	Trustee	3,686,000(L)	10.05	2.51
Beijing Urban Construction North Group Co., Ltd. <sup>(Note 7)</sup>	H Shares	Principal	3,686,000(L)	10.05	2.51
Hu Junsheng (胡軍省) <sup>(Note 8)</sup>	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 <sup>(Note 8)</sup>	H Shares	Trustee	3,617,600(L)	9.87	2.47
Caitong Securities Co., Ltd. <sup>(Note 9)</sup>	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) <sup>(Note 10)</sup>	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.
- Calculated based on the Company's 110,000,000 domestic shares or 36,667,200 H shares in issue as at 30 June 2023.
- Calculated based on the total number of 146,667,200 shares of the Company in issue as at 30 June 2023.
- 41.86% of the shares of BUCID are held by BUCG; BUCC is directly and wholly owned by BUCG.

## IV. 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 Junsheng 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 Junsheng. 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.

Save as disclosed above, as at 30 June 2023, 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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.



## IV. Corporate Governance and Other Information

### IMPORTANT CORPORATE GOVERNANCE MATTERS DURING AND AFTER THE REPORTING PERIOD

#### Amendment to the working rules of the remuneration and evaluation committee

In accordance with the relevant requirements of the Listing Rules, the Board convened a meeting on 15 March 2023 to amend the Working Rules of the Remuneration and Evaluation Committee of the Board of Directors from the perspective of the compliance of the work of the remuneration and evaluation committee of the Company, taking into account the operation and development needs of the Company and the actual situation of the Company. The revised working rules of such committee has been published on the websites of the Company ([www.bcjps.com](http://www.bcjps.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 15 March 2023.

#### Amendment to the working rules of the nomination committee

In accordance with the relevant requirements of the Listing Rules and in order to further strengthen the construction of the Board, the Board convened a meeting on 15 March 2023 to amend the Working Rules of the Nomination Committee of the Board of Directors, taking into account the operation and development needs of the Company and the actual situation of the Company. The revised working rules of such committee has been published on the websites of the Company ([www.bcjps.com](http://www.bcjps.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 15 March 2023.

#### Appointment of the joint company secretary

Mr. Xu Lude, the joint company secretary of the Company, resigned on 8 August 2022. Following Mr. Xu Lude's resignation, Ms. Mok Ming Wai, the other joint company secretary of the Company, who possesses the qualification of a company secretary as required under Rule 3.28 of the Listing Rules, has remained in office as the company secretary of the Company. Mr. Chen Shuang, the deputy general manager and secretary to the Board of the Company, was appointed as a joint company secretary of the Company on 15 March 2023. For details, please refer to the Company's announcements dated 8 August 2022 and 15 March 2023.

#### Change of shareholder representative Supervisor

On 3 April 2023, Mr. Wang Wei resigned as a shareholder representative Supervisor of the Company due to other work arrangements, with effect from the date of the approval of the appointment of a new shareholder representative Supervisor by shareholders at the general meeting. On 12 May 2023, the appointment of Mr. Yang Nan as a shareholder representative Supervisor of the Company was approved by the shareholders at the AGM, effective from 12 May 2023 until the expiry of the term of the first session of the Supervisory Committee. On the same day, Mr. Wang Wei ceased to serve as a shareholder representative Supervisor of the Company. For details, please refer to the announcements of the Company dated 3 April 2023 and 12 May 2023, and the circular dated 19 April 2023.

### 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 2023. 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 does not recommend the declaration of the interim dividend for the six months ended 30 June 2023 (as of the six months ended 30 June 2022: nil).

## V. 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 24 to 48 which comprises the consolidated statement of financial position of Beijing Capital Jiaye Property Services Co., Limited (the "Company") as of 30 June 2023 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 2023 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

16 August 2023

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023 – unaudited  
(Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Revenue</b>	4	<b>888,082</b>	665,694
Cost of sales		<b>(694,057)</b>	(509,121)
<b>Gross profit</b>		<b>194,025</b>	156,573
Other income	5	<b>3,678</b>	9,317
Administrative expenses		<b>(99,768)</b>	(88,412)
Selling expenses		<b>(6,003)</b>	(3,773)
Expected credit loss on trade and other receivables	6(d)	<b>(20,350)</b>	(10,797)
<b>Profit from operations</b>		<b>71,582</b>	62,908
Finance income	6(a)	<b>10,798</b>	10,449
Finance costs	6(b)	<b>(1,027)</b>	(1,147)
Share of losses of an associate		<b>(98)</b>	–
<b>Profit before taxation</b>	6	<b>81,255</b>	72,210
Income tax	7	<b>(19,630)</b>	(19,113)
<b>Profit for the period</b>		<b>61,625</b>	53,097

The notes on pages 31 to 48 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 14.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023 – unaudited  
(Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Profit for the period</b>		<b>61,625</b>	53,097
<b>Other comprehensive income for the period</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations		<b>1,142</b>	20
Income tax relating to remeasurement of defined benefit obligations		<b>(286)</b>	(5)
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserves		<b>(11,055)</b>	(30)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		<b>2,764</b>	7
<b>Other comprehensive income for the period</b>		<b>(7,435)</b>	(8)
<b>Total comprehensive income for the period</b>		<b>54,190</b>	53,089
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<b>58,683</b>	52,437
Non-controlling interests		<b>2,942</b>	660
		<b>61,625</b>	53,097
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>51,226</b>	52,429
Non-controlling interests		<b>2,964</b>	660
		<b>54,190</b>	53,089
<b>Earnings per share (RMB)</b>	8	<b>0.40</b>	0.36

The notes on pages 31 to 48 form part of this interim financial report.

# Consolidated Statement of Financial Position

At 30 June 2023 – unaudited  
(Expressed in RMB)

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Non-current assets</b>			
Investment properties	9	107,780	107,710
Property, plant and equipment	10	77,704	60,739
Intangible assets		12,960	14,002
Other financial assets		61,525	72,580
Investment in an associate		3,502	–
Deferred tax assets		51,373	44,027
		<u>314,844</u>	<u>299,058</u>
<b>Current assets</b>			
Inventories		5,688	5,844
Prepayments, trade and other receivables	11	812,507	726,229
Restricted cash	12	8,065	7,592
Cash and cash equivalents	12	1,039,539	1,140,733
		<u>1,865,799</u>	<u>1,880,398</u>
<b>Current liabilities</b>			
Trade and other payables	13	997,719	973,682
Contract liabilities		260,391	305,567
Lease liabilities		465	646
Current taxation		14,181	12,716
		<u>1,272,756</u>	<u>1,292,611</u>
<b>Net current assets</b>		<u>593,043</u>	<u>587,787</u>
<b>Total assets less current liabilities</b>		<u>907,887</u>	<u>886,845</u>
<b>Non-current liabilities</b>			
Lease liabilities		502	490
Deferred tax liabilities		34,032	34,323
Defined benefit obligations		68,694	69,663
		<u>103,228</u>	<u>104,476</u>
<b>NET ASSETS</b>		<u>804,659</u>	<u>782,369</u>

The notes on pages 31 to 48 form part of this interim financial report.

# Consolidated Statement of Financial Position

At 30 June 2023 – unaudited  
(Expressed in RMB)

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>CAPITAL AND RESERVES</b>			
Share capital	14	146,667	146,667
Reserves		626,056	606,730
Total equity attributable to equity shareholders of the Company		772,723	753,397
Non-controlling interests		31,936	28,972
<b>TOTAL EQUITY</b>		<b>804,659</b>	<b>782,369</b>

Approved and authorised for issue by the board of directors on 16 August 2023.

**Name: Zhang Weize**

*Position: Chairman of the Board*

**Name: Yang Jun**

*Position: Director*

The notes on pages 31 to 48 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023 – unaudited  
(Expressed in RMB)

Note	Attributable to equity shareholders of the Company								
	Share capital	Capital reserve	Statutory surplus reserve	Defined benefit obligation remeasurement reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 14(b)								
<b>Balance at 1 January 2022</b>	146,667	244,415	49	(4,861)	2,987	291,546	680,803	23,404	704,207
<b>Changes in equity for the six months ended 30 June 2022:</b>									
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	14(a)	-	-	-	-	(23,188)	(23,188)	-	(23,188)
Capital injection from non-controlling shareholders		-	-	-	-	-	-	1,960	1,960
Acquisition of a subsidiary		-	-	-	-	-	-	5,197	5,197
<b>Balance at 30 June 2022 and 1 July 2022</b>	146,667	244,415	49	(4,846)	2,964	320,795	710,044	31,221	741,265
<b>Changes in equity for the six months ended 31 December 2022:</b>									
Profit for the period	-	-	-	-	-	61,763	61,763	307	62,070
Other comprehensive income	-	-	-	(1,072)	(17,338)	-	(18,410)	-	(18,410)
Total comprehensive income	-	-	-	(1,072)	(17,338)	61,763	43,353	307	43,660
Distribution to subsidiaries' non-controlling shareholders		-	-	-	-	-	-	(2,556)	(2,556)
Appropriation to statutory reserve		-	-	2,662	-	(2,662)	-	-	-
<b>Balance at 31 December 2022</b>	146,667	244,415	2,711	(5,918)	(14,374)	379,896	753,397	28,972	782,369

The notes on pages 31 to 48 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023 – unaudited  
(Expressed in RMB)

Attributable to equity shareholders of the Company									
Note	Share capital	Capital reserve	Statutory surplus reserve	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 14(b)								
<b>Balance at 1 January 2023</b>	146,667	244,415	2,711	(5,918)	(14,374)	379,896	753,397	28,972	782,369
<b>Changes in equity for the six months ended 30 June 2023:</b>									
Profit for the period	-	-	-	-	-	58,683	58,683	2,942	61,625
Other comprehensive income	-	-	-	834	(8,291)	-	(7,457)	22	(7,435)
Total comprehensive income	-	-	-	834	(8,291)	58,683	51,226	2,964	54,190
Dividends approved in respect of the previous years	14(a)	-	-	-	-	(31,900)	(31,900)	-	(31,900)
<b>Balance at 30 June 2023</b>	<b>146,667</b>	<b>244,415</b>	<b>2,711</b>	<b>(5,084)</b>	<b>(22,665)</b>	<b>406,679</b>	<b>772,723</b>	<b>31,936</b>	<b>804,659</b>

The notes on pages 31 to 48 form part of this interim financial report.

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2023 – unaudited  
(Expressed in RMB)

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Operating activities</b>			
Cash used in operations		(11,453)	(7,093)
Income taxes paid		(23,490)	(27,997)
<b>Net cash used in operating activities</b>		<b>(34,943)</b>	<b>(35,090)</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment		(30,509)	(13,775)
Purchases of intangible assets		–	(86)
Proceeds from disposal of property, plant and equipment		–	1
Net cash outflow from acquisition of a subsidiary		–	(2,168)
Investments in an associate		(3,600)	–
<b>Net cash used in investing activities</b>		<b>(34,109)</b>	<b>(16,028)</b>
<b>Financing activities</b>			
Dividends paid to equity shareholders of the Company	14(a)	(31,900)	(17,391)
Capital element of lease rentals paid		–	(1,433)
Interest element of lease rentals paid		–	(281)
Capital injection from non-controlling shareholders		–	1,960
<b>Net cash used in financing activities</b>		<b>(31,900)</b>	<b>(17,145)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(100,952)</b>	<b>(68,263)</b>
<b>Cash and cash equivalents at 1 January</b>	12	<b>1,140,733</b>	1,087,296
Effect of foreign exchange rate changes	5	(242)	4,666
<b>Cash and cash equivalents at 30 June</b>	12	<b>1,039,539</b>	1,023,699

The notes on pages 31 to 48 form part of this interim financial report.

# VI. 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, Fahuayanli, 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”). It was authorised for issue on 16 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 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 2022 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 23.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 3 CHANGES IN ACCOUNTING POLICIES

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

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

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.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 4 REVENUE AND SEGMENT REPORTING (Continued)

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.

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	
	2023 RMB'000	2022 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated by timing of revenue recognition		
– Revenue recognised over time	860,584	656,021
– Revenue recognised at point in time	477	–
<b>Revenue from other sources</b>		
– Rental income	27,021	9,673
	<b>888,082</b>	<b>665,694</b>
<b>Disaggregated by service lines</b>		
– Property management services	512,754	441,105
– Value-added services to non-property owners	191,916	81,597
– Community value-added services	183,412	142,992
	<b>888,082</b>	<b>665,694</b>

For the six months ended 30 June 2023, revenue from Beijing Urban Construction Group Co., Ltd. ("BUCG") and its subsidiaries (together, the "BUCG Group") contributed 17.7% of the Group's revenue (six months ended 30 June 2022: 20.5%). 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 2023 (six months ended 30 June 2022: nil).

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 5 OTHER INCOME

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Fair value gain of investment properties (Note 9)		70	2,140
Net loss on disposal of property, plant and equipment		(23)	(65)
Additional deduction of input value-added tax ("VAT")	(i)	2,791	1,667
Net foreign exchange (losses)/gains		(242)	4,666
Others		1,082	909
		<b>3,678</b>	<b>9,317</b>

Note:

- (i) Pursuant to Caishui [2023] No. 1 Announcement on Clarifying the VAT Deduction Policy for the Small-scale Taxpayers, taxpayers engaging in the provision of modern services are allowed to deduct extra 5% of the deductible input VAT for the six months ended 30 June 2023.

### 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

#### (a) Finance income

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Interest income on bank deposits	10,798	10,449

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 6 PROFIT BEFORE TAXATION (Continued)

#### (b) Finance costs

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Interest on defined benefit obligations	1,005	1,051
Interest on lease liabilities	22	96
	<u>1,027</u>	<u>1,147</u>

#### (c) Staff costs

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Salaries, wages and other benefits		184,470	191,858
Expenses recognised in respect of defined benefit retirement plans		708	445
Contributions to defined contribution retirement plan	(i)	<u>22,249</u>	<u>16,792</u>
		<u>207,427</u>	<u>209,095</u>

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.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 6 PROFIT BEFORE TAXATION (Continued)

#### (d) Other items

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Amortisation cost of intangible assets	<b>1,042</b>	361
Depreciation charge		
– Owned property, plant and equipment	<b>7,523</b>	4,863
– Other properties leased for own use carried at cost	<b>628</b>	2,100
Bank charges	<b>919</b>	677
Cost of inventories	<b>448</b>	–
Expected credit loss on trade and other receivables		
– Trade receivables	<b>20,350</b>	10,837
– Other receivables	<b>–</b>	(40)
Auditors' remuneration		
– Audit services	<b>800</b>	800

### 7 INCOME TAX

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
<b>Current tax – PRC Corporate Income Tax</b>		
Provision for the period	<b>24,789</b>	23,191
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>(5,159)</b>	(4,078)
	<b>19,630</b>	19,113

Note:

The provision for PRC Corporate Income Tax for the six months ended 30 June 2023 is calculated at 25% of the estimated assessable profits for the period (six months ended 30 June 2022: 25%), except for one subsidiary of the Group, Beijing Urban Construction Chongqing Property Management Co., Ltd. ("Chongqing Property").

Chongqing Property has been approved as Small Low-profit Enterprises and is subject to a preferential income tax rate of 5% during the reporting period.

## VI. Notes to the Unaudited Interim Financial Report

*(Expressed in RMB unless otherwise indicated)*

### 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 RMB58,683,000 (six months ended 30 June 2022: RMB52,437,000) and the weighted average of 146,667,200 ordinary shares (six months ended 30 June 2022: 146,667,200 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 2023 and 2022.

### 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 4 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 2023 by the Group's independent valuer using the same valuation techniques as were used when carrying out the December 2022 valuations.

As a result of the update, a net gain of RMB70,000 (six months ended 30 June 2022: RMB2,140,000), and deferred tax thereon of RMB17,500 (six months ended 30 June 2022: RMB535,000), has been recognised in profit or loss for the period in respect of investment properties.

### 10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired certain equipment, mainly items of removable houses with a cost of RMB8,098,000 (six months ended 30 June 2022: RMB26,561,000).

During the six months ended 30 June 2023, the Group entered into a lease agreement for use of parking lots, and therefore recognised the additions to right-of-use assets of RMB16,394,000.



## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 11 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade receivables		
– related parties (Note 16(b))	<b>222,826</b>	206,548
– third parties	<b>637,396</b>	532,493
	<b>860,222</b>	739,041
Less: allowance for trade receivables	<b>(104,380)</b>	(84,030)
	<b>755,842</b>	655,011
Other receivables due from related parties (Note 16(b))	<b>2,338</b>	1,988
Dividends receivable (Note 16(b))	<b>1,050</b>	1,050
Deposits	<b>9,754</b>	6,399
Other receivables	<b>7,055</b>	4,842
Less: allowance for other receivables	<b>(1,030)</b>	(1,030)
	<b>19,167</b>	13,249
Financial assets measured at amortised cost	<b>775,009</b>	668,260
Prepayments		
– related parties (Note 16(b))	–	19,290
– third parties	<b>26,529</b>	30,034
Input VAT to be deducted	<b>10,969</b>	8,645
	<b>812,507</b>	726,229

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 11 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (Continued)

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

As at 30 June 2023, other receivables due from related parties are unsecured and interest-free. Details of the amounts due from related parties are set out in Note 16(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 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year	548,351	445,399
1 to 2 years	123,940	134,928
2 to 3 years	62,681	58,265
3 to 4 years	12,610	10,354
4 to 5 years	3,407	2,418
Over 5 years	4,853	3,647
	<u>755,842</u>	<u>655,011</u>

### 12 CASH AND CASH EQUIVALENTS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Cash on hand	18	78
Cash at bank	1,047,586	1,148,247
Less: restricted cash (Note)	8,065	7,592
	<u>1,039,539</u>	<u>1,140,733</u>

Note:

As at 30 June 2023 and 31 December 2022, 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.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 13 TRADE AND OTHER PAYABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade payables		
– related parties (Note 16(b))	61,336	77,215
– third parties	406,426	369,441
	<u>467,762</u>	<u>446,656</u>
Amounts due to related parties (Note (i))	23,271	48,518
Accrued payroll and other benefits	26,600	21,303
Other taxes and charges payable	44,020	40,111
Deposits (Note (ii))	80,713	72,020
Amounts due to property owners	1,589	1,589
Receipts on behalf of property owners and tenants (Note (iii))	80,316	72,254
Housing maintenance funds payable (Note (iv))	213,257	214,229
Amounts due to property developers	3,812	3,812
Other payables and accruals	56,379	53,190
	<u>529,957</u>	<u>527,026</u>
	<u>997,719</u>	<u>973,682</u>

#### Notes:

- (i) Starting from 2020, the Group received refurbishment payment from a tenant on behalf of fellow subsidiaries of BUCG, which provided refurbishment services to such tenant. As a result, the amount due to related parties at 30 June 2023 also included the refurbishment payment of RMB11,571,000 (31 December 2022: 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.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 13 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 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year	413,606	362,842
1 to 2 years	37,305	70,320
2 to 3 years	4,898	246
Over 3 years	11,953	13,248
	<u>467,762</u>	<u>446,656</u>

### 14 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Dividends

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

	<u>Six months ended 30 June</u>	
	2023 RMB'000	2022 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB21.75 cents per ordinary share (six months ended 30 June 2022: 15.81 cents)	<u>31,900</u>	<u>23,188</u>

- (ii) The directors of the Company do not recommend the payment of an interim dividend attributable to the six months ended 30 June 2023.

#### (b) Share capital

	<u>At 30 June 2023</u>		<u>At 31 December 2022</u>	
	No. of shares	RMB'000	No. of shares	RMB'000
Ordinary shares, issued and fully paid	<u>146,667,000</u>	<u>146,667</u>	<u>146,667,000</u>	<u>146,667</u>

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 15 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 2023	31 December 2022
	RMB'000	RMB'000

#### Recurring fair value measurements

Other financial assets

– Equity investments designated at FVOCI	Level 3	<u>61,525</u>	<u>72,580</u>
--	---------	---------------	---------------

During the six months ended 30 June 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2022: 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.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 15 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 Beijing Jindi Real Estate Development Co., Ltd., 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: 5.59%-7.09% (2022: 5.74%-7.24%)	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: RMB74-RMB101 (2022: RMB92-RMB130)	The higher the unit rent, the higher the market value
		Market price per sq.m.: RMB21,900-RMB82,944 (2022: RMB23,040-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 2023 RMB'000	At 30 June 2022 RMB'000
<b>Fair value</b>		
At 1 January	<b>72,580</b>	95,727
Change in fair value	<b>(11,055)</b>	(30)
At 30 June	<b>61,525</b>	95,697

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 15 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.

	<b>Increase/(decrease) of other financial assets – equity investments designated at FVOCI</b>	
	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Capitalisation rate		
– increase by 0.25%	<b>(1,571)</b>	(1,259)
– decrease by 0.25%	<b>1,638</b>	1,308
Unit rent per sq.m. per month		
– increase by 1%	<b>562</b>	513
– decrease by 1%	<b>(611)</b>	(513)
Market price per sq.m.		
– increase by 1%	<b>890</b>	700
– decrease by 1%	<b>(890)</b>	(700)

#### (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 2023 and 31 December 2022.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 16 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	
	2023 RMB'000	2022 RMB'000
<b><i>Provision of services</i></b>		
– The BUCG Group	<b>144,677</b>	132,886
– Associates of the BUCG Group	<b>648</b>	1,246
<b><i>Receiving services</i></b>		
– The BUCG Group	<b>13,712</b>	25,265
– Associates of the BUCG Group	<b>100</b>	2,464
<b><i>Rental income</i></b>		
– The BUCG Group	<b>12,102</b>	3,830
<b><i>Rental expenses</i></b>		
– The BUCG Group	<b>7,885</b>	1,757

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 16 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### (b) Balances with related parties:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Trade nature</b>		
<b>Prepayments and trade receivables</b>		
– The BUCG Group	222,826	225,027
– Associates of the BUCG Group	–	811
<b>Trade payables</b>		
– The BUCG Group	49,819	65,979
– Associates of the BUCG Group	11,517	11,236
<b>Contract liabilities</b>		
– The BUCG Group	617	1,892
<b>Lease liabilities</b>		
– The BUCG Group	930	909
<b>Non-trade nature</b>		
<b>Other receivables</b>		
– The BUCG Group	3,388	3,038
<b>Other payables</b>		
– The BUCG Group	23,271	48,518

As at 30 June 2023, other receivables due from related parties are unsecured and interest-free.

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 16 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:

<b>Name of related party</b>	<b>Relationship with the Group</b>
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 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 Hengqi Investment Management Co., Ltd. * 北京衡其投資管理有限責任公司	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 Jindi Real Estate Development Co., Ltd. * 北京金第房地產開發有限責任公司	Company controlled by BUCG
Beijing Zhuzong Third Development and Construction Co., Ltd. * 北京住總第三開發建設有限公司	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

## VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 16 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Beijing Chengao Real Estate Co., Ltd. * 北京城奧置業有限公司	Company controlled by BUCG
Beijing Zhuzong Science and Technology Innovation Asset Management Co., Ltd. * 北京住總科創資產管理有限公司	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 Zhuzong Second Development and Construction Co., Ltd. * 北京住總第二開發建設有限公司	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 Zhuzong 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 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 Urban Construction Intelligent Control Technology Co., Ltd. * 北京城建智控科技股份有限公司	Company controlled by BUCG
Chengdu Ruige Xinye Real Estate Development Co., Ltd * 成都銳革新業房地產開發有限公司	Company controlled by BUCG
Beijing Shuangcheng Tongda Real Estate Development Co., Ltd* 北京雙城通達房地產開發有限公司	Associate of the BUCG Group

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

### 17 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

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

